













CHINA.

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THE MARITIME CUSTOMS.

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IV.—SERVICE SERIES: No. 69.

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Documents illustrative of the Origin,  
Development, and Activities of the  
Chinese Customs Service.

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Inspector General's Circulars,  
1924 to 1931.

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*Issued by Order of the Inspector General of Customs.*

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SHANGHAI:  
STATISTICAL DEPARTMENT  
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# Documents illustrative of the Origin, Development, and Activities of the Chinese Customs Service.

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CIRCULAR No. 3472 (SECOND SERIES).

Inspectorate instructions: to be duly recorded in Commissioner's Order Book and not to be departed from without I.G.'s sanction; exercise of Commissioner's discretion, owing to particular local conditions, in withholding or modification of, to be immediately reported to Inspector General; modifications of instructions recorded in Order Book to be noted against order concerned.

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 11th *January* 1924.

SIR,

It has recently been brought to my notice on more than one occasion that Inspectorate instructions, either of a general nature issued by Circular or of a special nature issued by despatch, have in some cases not been carried out at all, owing to the miscarriage or misunderstanding of the corresponding instructions issued by the Commissioner to his staff, and in other cases, although duly entered in the Commissioner's Order Book at the time they were received, have, either through negligence of subordinates or for some other reason not reported, been so modified as to render them useless for the purpose for which they were issued, or allowed to lapse altogether.

Inspectorate instructions, especially those that have to do with procedure, emanate in many cases from the Shui-wu Ch'u, or have been reported by me to, and are on record in, the Shui-wu Ch'u, and at any moment a question may arise which may call for further report to that Board: in such cases, for the Inspector General to be obliged to report to the Shui-wu Ch'u that his instructions have been ignored by his subordinates places him in an intolerable position. Moreover, the fact that Commissioners' orders duly recorded in the Commissioner's Order Book are apparently in some cases disregarded discloses a looseness of local administration which is very disquieting.

I am far from desiring to hamper in any way Commissioners in the exercise of their discretion, and there may be occasions when it is desirable or proper for them, owing to particular local conditions of which I am not aware, to withhold or modify Inspectorate instructions.

But if a Commissioner, exercising his proper discretion, should decide, in case of emergency, temporarily to modify existing procedure instituted under Inspectorate instructions previously received, or upon receipt of such instructions either to withhold them, or to apply them in a modified form—in which case the instructions as received should, nevertheless, be duly recorded in the Order Book concerned,—a note recording his decision should be made in the Order Book against the order so modified. In no other way can responsibility for failure fully to comply with the Inspector General's instructions be properly fixed. And whenever a Commissioner so decides temporarily to withhold, put in abeyance, or modify instructions received, he should in all cases immediately report the matter for the Inspector General's final decision.

As a general rule, which must not in any case be departed from without the Inspector General's sanction expressly given, it is, in the first place, for the Commissioner to see that all Inspectorate instructions received are duly recorded in the Commissioner's Order Book; and in the second place, it is for the Commissioner himself, or his Deputy Commissioner, to make sure that instructions thus duly recorded are scrupulously carried out, and continue to be so carried out, by the members of his staff concerned.

In order that each member of your staff entrusted with the duty of seeing that the Commissioner's orders are duly carried out may be made fully cognizant of his responsibility in this connexion, you are requested to issue an order, in suitable terms, to each department of your administration enjoining on each member of your staff strict observance of all instructions duly recorded in the Order Book of his department, and reminding the heads of departments, and/or their deputies, that they will be held strictly responsible, each in his own department, for any deviation from instructions so recorded.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

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## CIRCULAR No. 3483 (SECOND SERIES).

Training of subordinates: Commissioners' responsibility *in re*, emphasised;  
Confidential Reports, further instructions *re* preparation of; foreign  
Assistants to be examined periodically in office work, etc.;  
Chinese Assistants, status and duties of, defined;  
examining staff, warning conveyed to.

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 11th March 1924.

SIR,

1.—The responsibility of Commissioners in the matter of the training of subordinates in office work has been the subject of so many Circulars\* that I am disappointed at being compelled to return to it again. Scrutiny of the 1923 Confidential Reports reveals generally a remarkable ignorance of the various branches of Customs work, especially in the case of Clerks, indicating a tendency to leave men too long at the duties which seem to suit them best. It is of course much easier to follow this line of least resistance, but the result of this specialisation is the impaired mobility of the men so treated, the hampering of Staff movements, and grave injustice to the men themselves. It is essential to cultivate versatility and to train competent understudies, so that, in a staff of ordinary strength, when one man drops out through sickness or for any other reason, another can step into his place with the least possible sacrifice of efficiency. I realise that there are certain posts of more than ordinary importance or difficulty where too frequent changes are undesirable. But this fact does not vitiate the general principle, which I wish to see followed as far as possible, that when a man has thoroughly mastered the work of one desk or office he should be moved to another. I have accordingly to request Commissioners to see that desks are changed with sufficient frequency to ensure that any one man of normal ability shall be conversant with a considerable part of the office work of his port after a stay of, say, two years there. I consider it a grave reflection on Commissioners when they are compelled to report—as is much too often the case in the last Confidential Reports to hand—that such and such a man “has not performed” (several classes of duties) “at this port” after a stay of several years there. This applies more especially to the

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\* *Vide* I.G. Cirs. Nos. 15 of 1873 (*antea*, vol. i, pp. 306–308); 273 (1884); 466 (1889); 472 (1890); 473 (*antea*, vol. i, p. 611); 517 (*antea*, vol. i, p. 637); 1213 (*antea*, vol. ii, p. 435).



Chinese In-door Staff, as foreign Assistants are moved more often from one port to another, and thus naturally receive more opportunities of learning different kinds of work.

2.—In order to secure the information necessary to attain the desired end, Commissioners will be required to acquaint themselves, by means of regular periodical inspections of desks and work, with the way in which the duties of the office staff are being carried out. These inspections, which should be exhaustive and thorough, are in future to form part of the regular routine duties of the Commissioner, Deputy Commissioner, or senior Assistant, according to the size of the port and staff, and should be followed by systematic changes of desks and work. With regard to foreign Assistants, it is essential to develop in them an intelligent interest in their work and to guard against the perfunctory execution of routine duties, which, in the case of junior Assistants especially, are perforce often somewhat uninteresting. Commissioners should therefore ascertain from time to time, by means of oral and/or written examinations, what progress their Assistants are making, and whether they understand, on the one hand, the principles on which the work they perform are based and, on the other, the purpose for which it is performed—in a word, whether they grasp the significance of the sequence of processes involved in the transaction of Customs business. The importance of the treaties and I.G. Circulars should also be impressed upon them and their acquaintance therewith tested periodically.

3.—While on the subject of the In-door Staff I find it necessary to refer to the status and duties of Chinese Assistants. It is not sufficiently understood that these employees are in a category entirely distinct from Clerks and that in return for the very high rates of pay they draw I look for exceptional qualifications—a very high standard of industry, integrity, and intelligence, an all-round knowledge of office work in all its branches, and sufficient personality to command respect and assert their authority. It is therefore essential that Chinese Assistants be given every possible facility for learning the duties of all departments if they are to be of that value to the Service which their scale of pay demands. Here it is opportune to call attention to the frequent recommendations for promotions of Clerks to Assistants. The wastage in the Chinese Assistants list is in ordinary years balanced by the appointment of graduates from the Customs College, and it is only occasionally that vacancies are available for Clerks. I must therefore ask Commissioners to realise that it is quite impossible to promote even a small fraction of the large number of Clerks recommended for advancement in each year's Confidential Reports. Recommendations should accordingly

be made with the utmost caution, and care taken not to put forward the name of any man who is not quite exceptionally equipped all round in the sense above defined.

4.—The present is a fitting opportunity to emphasise the fact that it is also part of the Commissioner's duties to see that his Out-door Staff is kept up to the mark. Periodical visits should be paid to the wharves, jetties, godowns, and other places where Examiners work; books, samples, etc., inspected, methods of examination investigated, advice given, criticism or censure administered where slackness or bad work is revealed—in a word, the Commissioner should satisfy himself by these periodical visits exactly how the Out-door Staff are discharging their duties. In small ports the inspection should form part of the normal routine work of the Commissioner himself; in larger ports it should be entrusted to the Deputy Commissioner or senior Assistant, who should, at its conclusion, hand in a detailed report on the results of his inquiries. At the largest ports it will be necessary to entrust these inspections to an Out-door Staff officer with the requisite qualifications—complete fearlessness and integrity and a first-rate knowledge of examination methods. A beginning on these lines has been made at Shanghai, where an Inspector of Examiners and two other officers are constantly engaged in this work.

5.—With the fuller information at their disposal regarding the capabilities of the Out-door Staff, I look to see more complete appreciations in Confidential Reports by Commissioners themselves, thus supplementing the estimate of the Tidesurveyor. Here I wish to reaffirm what has already been said in Circular No. 2735, paragraph 5, *i.e.*, that the space for "Remarks" on Confidential Reports is meant to be used and not left blank. A terse summary of the capacity and character of the individual concerned is required under this heading, and only in cases of very recent arrival is its omission allowable, when the reason should be given.

6.—Finally, I must sound a note of warning to the examining staff. Successive Tariff Revisions and the establishment of the Shanghai Appraising Department have brought about an evolution in technical methods of examination and valuation, and a transition in the direction of highly professional standards. As a result of the changed and changing conditions a greater measure of efficiency will be expected from Examiners, and promotion, especially in the upper ranks, will be more and more by selection based on merit. It is largely for this reason that I require fuller and

more detailed particulars in Confidential Reports, since the latter afford the sole source of information regarding the qualifications of Examiners.

7.—You are requested to see that the remarks in paragraphs 3 and 6 of this Circular are brought to the notice of the employees concerned, by means of entries in your Order Book.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

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SEMI-OFFICIAL CIRCULAR No. 41.

**Customs Administration and interprovincial warfare: difficult situations arising through action demanded at instigation of local military authorities; I.G.'s views on policy which should guide Commissioners' actions; instructions.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 29th February 1924.

SIR,

In these days of interprovincial warfare, when the Customs Service as a Central Government organ is expected to function efficiently in many parts of China where the Central Government maintains only a nominal authority or exercises no authority at all, cases occasionally occur which are liable to place Commissioners of Customs in a position of some difficulty. Standing Circular instructions issued in normal times cannot always be regarded as a safe guide, and Commissioners have to shape their action in the light of the particular conditions obtaining in their port or province, with the aim always before them of preventing our administration from becoming involved in disputes that do not concern us.

There are two fundamental rules which, in most cases, will be found to be sufficiently comprehensive and, if carefully observed, will prove a safe guide for action. These rules are:—

- (1) When a case arises in which a Commissioner is requested by the local authority to act in a particular manner which he considers injudicious or harmful,

he places his views on record as dissenting from the policy which he is requested to adopt and informs the Superintendent that, while he will provisionally give effect to his colleague's ruling, he dissents from it and is submitting a full report of the matter to the Inspector General (Circulars Nos. 8 of 1864, 24 of 1873, and 1265, Second Series).\*

- (2) In provinces where the Central Government has temporarily lost authority, Commissioners will give effect to the instructions of the local government provided those instructions do not conflict with treaty stipulations or international arrangements for the custody and disposal of the revenue (S/O Circular No. 34).†

These instructions, however, will not cover certain cases when action is demanded at the instigation of local military authorities who desire to make use of the Customs organisation in furtherance of their policy.

In illustration of what I mean I will give a hypothetical case. A foreign-flag vessel arrives at a treaty port and complies fully with all Customs formalities and regulations. She has (or takes) on board a cargo destined for another treaty port in the same or another province, with which the authorities in power at the port of export happen to be at war. These authorities do not desire that the cargo should be allowed to go forward because its arrival may indirectly give assistance to their opponents. They are not prepared to seize or detain the vessel as a military measure, but they bring pressure on the Superintendent to request the Commissioner of Customs to detain the vessel or to confiscate her cargo. Detention will give rise to other complications—claims for demurrage, deterioration of vessel if the cargo is of a perishable nature, and so forth,—and the national authority of the vessel concerned, under pressure from the owners or agents, demands that the vessel, having complied with all Customs formalities and treaty stipulations, shall be allowed to clear and proceed to her destination. The Commissioner is now placed in a difficulty. He can only detain the vessel by withholding her Customs clearance, and, as clearance of a foreign ship from a Chinese port ultimately rests with the national authority concerned, he may find that that authority will authorise the vessel to leave port without her Customs clearance, involving, of course, a breach of treaty. I will assume that the Commissioner, mindful of the

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\* *Antea*, vol. i, pp. 36–47, 311–324; vol. ii, p. 476. † *Antea*, vol. iii, p. 574.

two rules to which I have referred, has done his best to dissuade the Superintendent from agreeing to the detention of the vessel, but, finding his colleague obdurate, he withholds the vessel's clearance, and that the Consul then authorises the vessel to leave port. The Commissioner's action cannot be considered to have been incorrect. Nevertheless, it leaves matters in an unsatisfactory state; and the Customs Administration is placed in the unenviable position of a man whose gun has missed fire. It is obvious that the two rules will not cover a case of this kind.

What the Commissioner should do, I think, in such a case is this: he should from the outset endeavour, at the earliest possible moment, to throw responsibility on to the proper shoulders. He should inform the Superintendent that, as detention or seizure is desired as a military measure, it is for the military authorities themselves to take such action as they consider the case demands. The Commissioner should, of course, warn his colleague of the probable consequences of a clash with foreign authority, but he should make it quite clear that the military authorities cannot act through Customs agency in a matter of this kind, but must themselves be prepared to take direct action against the vessel. He should then intimate that, after a reasonable delay and on receipt of a formal demand from the Consul for clearance, he intends to issue the usual "non-objection" paper.

An intimation on these lines, bringing the issue clearly to the front and fixing responsibility, will in most cases promote a solution. Either the military authorities will give way or the Consul, who, of course, will be made cognizant of the Commissioner's attitude, will refrain from taking the law into his own hands. It must, however, be remembered that Consuls cannot be expected to concern themselves with the merits of interprovincial warfare and that they will feel justified in insisting on complete freedom of movement for vessels under their control which have complied with all treaty stipulations and Customs rules.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

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## CIRCULAR No. 3489 (SECOND SERIES).

**Inland waters steam navigation: duty treatment of cargo carried by vessels when engaged in; I.G.'s remarks and instructions.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 19th March 1924.

SIR,

1.—There has been some misunderstanding of previous Circulars in connexion with inland waters steam navigation and the duty treatment of cargo carried by vessels when engaged in inter-treaty-port trade *via* an inland place, and I therefore think it desirable to restate the principles which govern vessels engaged in this trade.

2.—Prior to the promulgation of the Inland Waters Steam Navigation Rules \* steamer-borne cargo from one treaty port to another was entirely under the control of the Maritime Customs and paid Maritime Customs export and coast trade duties. Such cargo going inland from the second treaty port could only go by junk and was therefore subject to junk dues and duties only. The only difference after the Inland Waters Steam Navigation Rules came into force in 1898 was that the cargo was enabled to go inland by steamer as well as by junk, but the duty treatment of the cargo remained the same. This point was laid down in Tariff Questions Settled No. 194, as notified in I.G. Circular No. 872, Second Series, which reads as follows: "Native goods from one treaty port reimported at another are liable to coast trade duty whether they go into the interior in a steamer or not, just as has hitherto been the rule where native craft only were used." This ruling merely implied that junk treatment became applicable to steamer-borne cargo going inland. It was not intended to refer to inter-treaty-port junk trade, with which the Maritime Customs had never had anything to do, save in the case of chartered junks.

3.—There is, however, one outstanding difference between steamers and junks, and this is that the former have the option of trading under Maritime Customs Regulations or under Inland Waters Steam Navigation Rules, whereas the latter cannot, unless chartered, trade under Maritime Customs Regulations. At the same time a steamer must definitely choose under which regulations she desires to run. The regulations cannot be amalgamated, that is to say, a steamer cannot trade under two sets of regulations at one

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\* *Antea*, vol. ii, pp. 138-155.

and the same time.\* Either she is a coasting vessel trading between one treaty port and another direct, in which case she is under the control of the Maritime Customs and pays Maritime Customs duties only, or she is an inland waters vessel trading under Inland Waters Certificate, in which case her cargo to and from an inland place becomes liable to the same taxation as would be applied to that cargo if carried by junk.

4.—Since the earlier Circulars dealing with inland waters steam navigation trade were issued in 1898 conditions have been modified by the Additional Rules promulgated in Annex C to the Mackay Treaty of 1902 and by the establishment of Maritime Customs control over Native Customs offices at certain treaty ports. The Additional Rules defined more precisely the limits within which steamers under Inland Waters Certificate might run, and our control over Native Customs made the procedure of dealing with such vessels, when they carried cargo, at the Native Customs a natural process of devolution. The result of these developments and also the definition of “inland places” which puts inland coast ports in the above category is seen in the growth of a coasting trade under Inland Waters Certificates, and the duty treatment applicable to cargo carried in these circumstances, never very precisely laid down, has become somewhat obscure. The only safe guide is to follow basic principles. If the steamer engages in *bona fide* inland trade, she is entitled to the same duty treatment in respect to her cargo as a junk would have, but she must accept all the disabilities of a junk and cannot have things both ways. Offices, therefore, which have to deal with this coasting trade under Inland Waters Regulations will have to be careful to see that the regulations are not abused,† and, where inland waters steamers have been relegated to the Native Customs branch of Maritime Customs activities, the Native Customs will be expected to see that duties properly leviable by the Maritime Customs are not evaded.

5.—The Additional Rules, as explained in Circular No. 1095, allow a steamer under Inland Waters Certificate to take cargo from an open port to an open port, thence to an inland place or places, and from these inland places to another open port or ports before eventual return to port of registry. It may thus happen, though it is not likely to happen often, that at each end of a *bona fide* “inland

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\* On this contention, *vide* I.G. Cir. No. 4147, paragraph 5, *postea*, vol. iv, p. 324. The abolition of coast trade duty, likin, transit dues, and Native Customs charges (*vide* I.G. Cir. Nos. 4158, 4161, and 4240, *postea*, vol. iv, pp. 339, 346, 478) made a clean sweep of all duty anomalies on cargoes going inland.

† I.G. Cir. No. 4147, paragraph 6, *postea*, vol. iv, p. 324, shows how they were abused.

waters " trip there is a direct communication between two open ports. The point to be observed is that in respect to cargo carried between these open ports direct, at either end, the proper duties leviable are Maritime Customs export and coast trade duties. It might, perhaps, be contended that, as steamers under Inland Waters Certificates have to stop at all barriers passed, their cargo, even when carried between open ports direct, should be given the benefit of junk treatment and pay the lower Native Customs export and import duties, but the vessels which I have in view are really sea-going steamers: they keep the open seas, and once they have cleared at the "port of departure" the question of barriers does not arise. Junks, on the other hand, are dependent on wind. They may have to put in and lie up at many places *en route* and be subject to delays and incidental taxation from which steamers are immune.

6.—When, however, steamers, as most generally happens, clear under Inland Waters Certificate for an inland place or places *en route*, it may be, to an open port, they clear under the same conditions as a junk and are entitled to junk treatment in respect to their cargo. If they are attended to by the Native Customs office at port of departure, it is the Native Customs export tariff of the port concerned which is applicable on export, and the Native Customs import tariff of the port of destination which is applicable on import.

7.—One contingency is to be guarded against in this connexion, and that is that steamers may apply to clear for an inland place *en route* to an open port, with the intention of merely making a fictitious entry at the inland place in order to obtain Native Customs duty treatment. Such a case was reported to me in 1917, and the ruling was then given that entry of the vessel at the inland place concerned was to be ignored, and the cargo carried by the steamer from the one open port to the other was to be treated as proper inter-treaty-port cargo, Maritime Customs export and coast trade duties being levied. Cases of this kind are not likely to be frequent, but should you have reason to believe that any vessel is taking out inland waters steam navigation papers for the purpose of making a nominal entry at an inland place in order to evade the higher Maritime Customs duties, you are to levy the Maritime Customs duties and report the case officially.

8.—Finally, a word of warning must be given against reading instructions of Circulars without paying attention to the time and circumstances in which they were issued, more especially when those instructions are voluminous, as is the case with the Inland Waters



Regulations. Later enactments such as the Additional Rules or developments such as the control of the Native Customs, while they do not affect principles, modify procedure, and instructions can only be intelligently applied if due weight is given to all the relevant circumstances.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

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CIRCULAR No. 3491 (SECOND SERIES).

**Confiscations and fines: I.G.'s instructions and remarks *re*  
handling of cases of.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 3rd April 1924.

SIR,

1.—So much has been laid down about confiscation and fines for breaches or evasion of revenue regulations, and will be found recorded in the Circulars, that it might be thought that the last word on the subject had been spoken. If I return to the question, it is because certain events in recent years have given me the impression that, at least among the younger hands, there is a tendency to treat such matters without sufficient appreciation of the changes which time has wrought in this rapidly developing country.

2.—If Sir Robert Hart's earlier Circulars are studied—and no better preparation for charge of a port can be recommended than a soaking in of the general principles he laid down for all branches of Customs activity with so much lucidity,—it will be seen that this question of imposing penalties for breach of Customs Regulations, under the general sanction of the treaties, was a very burning one in the early days of the Service. On the one hand, Commissioners were accused of giving arbitrary and one-sided decisions; on the other hand, there was no recognised procedure for appeal or for the hearing in public of confiscation cases. The result was that foreign indignation, based largely on hearsay and misinformation, went very near to wreck the Inspectorate before it had become firmly established and left an aftermath of odium against the Service which persisted

for a considerable time. Sir Robert Hart's advice and instructions to Commissioners and the personal attention he gave to confiscation cases soon removed any reproach that might have existed on the score of arbitrary dealing; the Joint Investigation Rules of 1868\* provided the necessary machinery for appeal and publicity; and for many years Confiscation Reports were published until it was evident that the public took no interest in them, but this fact alone was sufficient proof that a remedy had been found. A relic of these early days is seen in the meticulous care devoted to rendering the Confiscation Report. Confiscation cases where foreign interests are involved now proceed on well-defined lines and rarely give any trouble. The Joint Investigation Rules are seldom invoked but are always available. They provide the necessary safety-valve. They embody the fundamental principle that the Customs may confiscate under the treaty but may only fine by Consular Authority; they invite public investigation and thorough discussion of both sides of the case; and they provide for appeal to higher authority and, pending final decision, enable the Customs to take the necessary guarantees that the decision will be enforced. On the whole, it may be said that the opportunity which the Rules provide for ventilation of confiscation cases has done more than anything else to free Commissioners' hands. Cases rarely come into court: they are generally settled out of court by acceptance of the Customs' decision, to the mutual satisfaction of all concerned.

3.—But there is another public with which we have to deal. In the old days, when the Superintendent of Customs was in most cases a territorial official having judicial authority, confiscation and fine cases in which Chinese were involved, unlike those in which foreign interests were at stake, seldom gave rise to trouble of any kind. Penalties were imposed mainly to mark the offence; less often, when they were necessary in grave cases as an actual deterrent, they were imposed only after consultation with the Superintendent. Appeal to the Superintendent, if he were Intendant of Circuit, was in the circumstances practically appeal to a court of higher instance, which had already given a decision, and was seldom made. Cases, therefore, were for the most part settled summarily, and nothing more was heard of them, unless decisions were questioned by the Inspectorate when the Confiscation Reports came to be checked; and this did not often happen. In those days, too, confiscation cases, even of the most routine nature, were handled exclusively by the Commissioner at all ports with the possible exception of Shanghai.

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\* *Antea*, I.G. Cir. No. 19 of 1868, vol. i, p. 104.

Conditions have changed very materially in recent years. The Superintendent is no longer a territorial official; courts of law modelled on foreign lines have been established, and the tendency is for these courts to claim jurisdiction in revenue offences; the Chinese mercantile public has become articulate in a sense unknown in those early days, and it finds a ready spokesman and generally an ardent champion in the Chinese Chamber of Commerce; a Chinese press has sprung up which opens an eager door to ventilation of mercantile grievances against the Customs, still stigmatised as a foreign and not a Chinese institution; and at many ports the handling of confiscation cases has been relegated to Deputy Commissioners and senior Assistants.

4.—It speaks well for administration generally that, on the whole, there has been so little trouble in these changed conditions. But I have been more occupied than I care to be with confiscation cases, and in two instances a serious crisis has only been narrowly averted. The increasing number of petitions I receive from offenders and the many representations made to the Shui-wu Ch'u by Chambers of Commerce are signs of the times, and it behoves us to walk warily. For Chinese cases we have nothing like the Joint Investigation Rules. Revenue offences are not codified under the law of the land as in foreign countries, and there is no appeal, as in those countries, from a departmental decision to a court of law. We have simply applied to Chinese the same treatment as we gave to foreign merchants, but in their case we have treaty sanction for our actions. Already the Chinese merchants are feeling their way towards codification of Customs offences and standardisation of Customs penalties. There is a tendency to resent the summary jurisdiction of Commissioners in confiscation cases and to question their decisions. Our position is not made easier by the fact that we act in the name and enforce the decisions of a Central Government in many places where that Government has temporarily lost control.

5.—In default of any recognised procedure for appeal and the public hearing of cases in which Chinese are the offenders, I can only enjoin on Commissioners and those to whom they delegate the handling of confiscation cases the utmost caution and the observance of the following hints. In cases where the penalty is not merely a nominal one to mark the offence, never act hastily: it does not matter how many cases appear in the Confiscation Report as "unsettled." Plenty of time should be allowed for thorough exposition of the case. Confiscated goods should never be disposed of prematurely. In important cases, involving heavy penalties, the Superintendent should be consulted. If the Commissioner's decision is questioned

and he has reason to suppose that the assistance of the Chamber of Commerce has been invoked, he should seek occasion to meet representatives of that body and explain to them the circumstances of the case and the reason for severity. Chambers of Commerce can be made very useful if they are handled in the right way.

Trouble sometimes arises more from peculiarities of personality than from faults of procedure and can often be averted by laying at the beginning of a charge the foundations of friendly intercourse. An attitude of aloofness, or of official dignity, which will not condescend to meet on common ground the representatives of mercantile associations, may sometimes turn to active hostility what at its worst is often only officiousness. Most of us have experienced some time or other the mountains of difficulty that may accumulate from the molehills of petty and trivial incidents when "face" is lost. Control of Customs brokers, as much in the interests of the merchants as of the Service, is an object to be aimed at and will be found helpful in minimising confiscation cases.

Lastly, it must be remembered that every offender has a right of appeal from a local decision to higher authority. It is unfortunate that no procedure has been set up for dealing with appeals, especially as Chinese merchants have a troublesome habit of apparently acquiescing in decisions and then attempting to get them reversed. Decisions should therefore err on the side of leniency. At all ports, except the very busy ones, Commissioners should themselves handle confiscation cases, and at those ports where this duty is delegated to others decisions should be confirmed before being put into force.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

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## SEMI-OFFICIAL CIRCULAR No. 45.

**Superintendents: Commissioners' relations with: personal touch to be maintained by regular calls.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 16th June 1924.

SIR,

In reading a Handing over Charge Memorandum from an officer who has had temporary charge of a port during a recent interregnum between departure of outgoing and arrival of incoming Commissioner, I was greatly astonished to see a statement to the effect that the writer of the Memorandum had *initiated the practice of making regular personal calls on the Superintendent*. The port is one where, for a considerable period, the worst possible relations have existed between the Commissioner and his colleague. There have been constant friction, thwarting of the Commissioner's legitimate authority, troubles with Chinese merchants who, in many instances, have been supported if not instigated by the Superintendent's *yamên*, and a tendency on the part of the Superintendent to assert in very unmistakable terms the position which in theory is his, namely, executive head of the local Customs Administration. The writer of the Memorandum went on to state that already during his few weeks of charge there had been a noticeable change for the better and that many matters which had looked like giving trouble had been placed on a better footing.

If there is one precept which has been insisted upon more strongly than any other, it is that Commissioners must keep in close personal touch with the Superintendent. It has been laid down in many Circulars, it is reiterated in every despatch conveying the Inspector General's commission to an officer in charge. At one time Commissioners were required to report by despatch their interviews with Superintendents and other local authorities.

I am aware that at many ports Superintendents, who are active politicians, are constantly absent from their posts for long periods and that, in these circumstances, it is impossible for the Commissioner to maintain close personal relations with them. This state of affairs is very embarrassing to Commissioners, and it makes port business increasingly difficult to handle. I have drawn attention to it in the proper quarter, and sooner or later it will be remedied. In the meanwhile it must be remembered that in every Superintendent's *yamên* there is a more or less permanent official, whether

K'o-chang (科長), Writer, or Weiyüan, who enjoys the Superintendent's confidence and on whom the routine business of the yamên depends. Many of these men are pure routinists, possessing little authority and disinclined to assume any responsibility. Some of them, however, are old hands, who have acquired very considerable power and authority, and it is they who shape policy, draft communications to the Commissioner, and speak through the Superintendent's mouth. Men of this calibre have to be reckoned with.

At all but the busiest ports Commissioners should have no difficulty in calling on the Superintendent at least once a fortnight. They should make a practice of doing so. Even at the busiest ports every effort should be made to maintain close personal touch with the Superintendent. The best plan would be to arrange with the Superintendent to visit him at a given hour on a given day—say, every other Monday. If the practice of regular visits during office hours were inaugurated, neither Commissioner nor Superintendent would find them a severe tax on their time.

At ports where the Superintendent is constantly absent, the Commissioner should send his Deputy or a senior Assistant to call on the K'o-chang in charge. It will be good practice for them, and it will enable the Commissioner to find out who is really doing the work of the yamên.

When a Superintendent informs the Commissioner that he will be absent, he should be specially asked to name the official who will be in charge of current affairs during his absence.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

## CIRCULAR No. 3505 (SECOND SERIES).

Postal parcels: instructions *re* levy of duty on, with special reference to "half-tael" duty rule and similar merchandise; no change to be made at ports where international agreements are still in force.

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 20th May 1924.

SIR,

Replies to Circular No. 3486, calling for a report concerning the collection of duty on "half-tael" parcels, show that a majority of the ports are carrying out the instructions of Circular No. 2784, which were that aggregate duty was only to be collected on inward international parcels if such parcels emanated from the same sender and contained articles of a similar nature, on lines of greater restriction of the exemption privilege.

This is no doubt due to closer Customs supervision of parcel traffic consequent on the withdrawal of the alien post offices and is a natural, if hitherto unauthorised, step on the road towards collection of duty on every parcel received and sent which contains dutiable goods.

The original instructions, exempting from duty parcels on the contents of which duty amounts to less than half a tael, were designed to free the non-trading public from harassing formalities in the posting and receiving of parcels and to expedite Customs and Postal operations in a branch of the postal parcel business where no great revenue interests were at stake. The concession—for such it is, seeing that, technically speaking, unless the contents of a parcel are on the duty-free list, there is no such thing as a "duty-free parcel"—is liable to abuse and has been abused. In respect to certain parcels it has been withdrawn completely, but I do not consider that the time has yet come for any general instructions in this sense. It is desirable, however, that practice should be as uniform as possible, and, accordingly, the following practice is to be adopted:—

*Domestic Parcels.*—When two or more domestic parcels are forwarded by one sender, at the same time, to the same address, if the duty (full and half) leviable thereon amounts in the aggregate to half a tael\* (\$0.75) or over, it is to be collected, *irrespective of whether the contents of such parcels are similar or not.*

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\* After the introduction of the standard dollar, 10th March 1933 (*vide* I.G. Cir. Nos. 4583 and 5170, *postea*, vol. v), in which all export duties are paid, and of the gold unit, 1st February 1930 (*vide* I.G. Cir. No. 4025, *postea*, vol. iv, p. 261), in which all import duties are paid, the half-tael amounts specified were changed to St. \$0.75 and G.U. 1 respectively.

*International Parcels, Outward.*—When two or more parcels are forwarded by one sender, at the same time, to the same address, duty is to be levied thereon if it amounts in the aggregate to half a tael\* (\$0.75) or over, irrespective of whether the contents of such parcels are similar or not.

*International Parcels, Inward.*—When two or more parcels are received by the mail for the same addressee, duty is to be levied thereon if the aggregate amounts to half a tael\* (\$0.75) or over, regardless of whether they are from the same sender or not, or whether the contents are similar or not.

*N.B.*—The delivery of inward parcel mail should not be in any way delayed—especially at the larger ports—in order to prosecute inquiries whether two or more parcels are received for any individual addressee.

The above procedure, so far as it concerns *domestic* parcels, is applicable to all ports, but, with regard to *international* parcels, it must be specially noted that no change of existing procedure is to be made at those ports at which international agreements are still in force—e.g., ports in the South Manchuria Railway Zone (*vide* Circular No. 3364).

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

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\* After the introduction of the standard dollar, 10th March 1933 (*vide* I.G. Cir. Nos. 4583 and 5170, *postea*, vol. v), in which all export duties are paid, and of the gold unit, 1st February 1930 (*vide* I.G. Cir. No. 4025, *postea*, vol. iv, p. 261), in which all import duties are paid, the half-tael amounts specified were changed to St. \$0.75 and G.U. 1 respectively.



## CIRCULAR No. 3506 (SECOND SERIES).

**Pukow: establishment of sub-office of Nanking Customs at, notified.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 28th May 1924.

SIR,

I have to notify you that a sub-office of the Nanking Customs was opened at Pukow (浦口) on the 3rd January 1924 and that its establishment has been sanctioned by Presidential Mandate of the 12th instant. Copy of Shui-wu Ch'u despatch No. 687 in this connexion is appended.

The sub-office at Pukow is in charge of an Assistant subordinate to the Commissioner at Nanking under present arrangements.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

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## ENCLOSURE.

稅務處令第六八七號 中華民國十三年五月二十二日

案查本處會同財政部呈請在江蘇浦口地方設立金陵分關一案于本月十二日奉

大總統指令呈悉准如擬辦理此令等因奉此查此項既經呈准所有設立金陵分關應行事宜應卽由金陵關監督會同該關稅務司按照總稅務司擬訂該分關試辦章程妥爲辦理並將開關日期呈報本處備案其開辦經費關平銀五百五兩四錢五分經常經費每月關平銀九百五兩一錢三分准由該關稅收項下照數提撥核實支用除分行外相應照錄原呈令行總稅務司查照轉令金陵關稅務司遵照辦理可也

此令 附件

照錄 財政部  
本處 會呈 大總統文 民國十三年五月二日

呈爲江蘇浦口地方實行設立金陵分關會呈仰祈

鈞鑒事竊查江蘇浦口地方爲水陸總匯要區自津浦路暢行以來商務日形發達前於民國四年六月一日奉

大總統申令自行開作商埠並先設立分關等因奉此遵卽飭令金陵關監督暨令總稅務司轉飭金陵關稅務司暫援上海浦東成案趕於四年七月一日將金陵關辦事範圍擴至浦口卽在彼處添設查驗場以便商貨運輸並爲設立分關之預備數年以來商務之發達益盛而建築分關之地基亦經購妥所有設立分關事務亟應遵

令實行卽英美日本等國駐京各公使亦均以是爲請復查浦口設立分關意在輔佐金陵關徵收貨稅藉便商民輸納起見其性質與濱江關所屬各分關相近因令由總稅務司按照濱江關所屬各分關辦法擬具浦口分關徵稅章程呈候核定旋據總稅務司將該項章程擬妥呈核前來業經部處會核尙屬可行擬卽准予試辦並據總稅務司呈明該分關開辦經費需關平銀五百五兩四錢五分其經常經費月需關平銀九百五兩一錢三分均尙核實亦擬准予照支除將該分關試辦章程咨呈國務院及分送外交部備案外所有浦口實行設立金陵分關緣由理合會同呈請

鈞鑒訓示遵行再此呈係稅務處主稿會同財政部辦理合併陳明謹呈

## CIRCULAR No. 3517 (SECOND SERIES).

**Native Customs tonnage dues: certain dues to be recognised as  
junk dues and to be remitted to special Junk Dues  
Account; instructions.**

INSPECTORATE GENERAL OF CUSTOMS,

PEKING, 18th June 1924.

SIR,

1.—With reference to Circular No. 3143 (N.C. No. 223):

Tonnage dues: question of contribution towards, by junk traffic; estimate of dues or fees analogous to tonnage dues collected by Native Customs from native shipping called for:

and to the replies received thereto, I have now to issue the following instructions:—

1°. (a) From ports where junk tonnage dues and/or junk dues are collected, these dues and no other are to be remitted to a new I.G. of Customs Junk Dues Account which will be opened in the Hongkong and Shanghai Bank, Shanghai; the ports thus affected are Newchwang, Wuhu, Shanghai, Santua, Foochow, Amoy, Swatow (both junk and tonnage dues), Kongmoon, and Kiungchow;

(b) But from ports, such as Ichang, Shasi, and Kiukiang, where the revenue is collected in the form of junk dues and where such dues take the place of duties on cargo, these dues are not to be remitted to the new account; from Kiukiang, however, the sums collected under the heading "Junk Tax" are to be remitted to the Inspector General's Junk Dues Account.

2°. At ports where no such dues are collected, licence fees, etc., must be considered as taking their place. From such ports the fees mentioned below are to be remitted to the Inspector General's Junk Dues Account: Tientsin—port fees and licence fees; Ningpo—liangt'ou dues; Wenchow—liangt'ou dues; Canton—port dues; Pakhoi—ch'uanp'ai fees.

3°. From ports where no analogous fees are collected, or where special arrangements are in force for the disposal of the junk revenue, no remittances are to be made to the Inspector General's Junk Dues Account. The ports thus affected are Chefoo, Wuchow, Kiaochow, and Dairen.

2.—These dues and fees, however, although now to be set aside for a specific purpose,\* are still to be treated and banked as part and parcel of the Native Customs Collection up to the time of their remittance to the new Junk Dues Account; that is to say, while no new bank account is to be opened for them, one-tenth is to continue to be deducted for my Account N, and whatever percentages of banker's commission and remittance fees are chargeable on the collecting and remitting of these dues are to be met from the Junk Dues Collection. To avoid, in this regard, possibilities of error, more especially in conversions, the ports affected, which do not at present record these dues separately, will find it an advantage to keep a separate Junk Dues Register, from which the necessary entries for the [B.—6] Report can be compiled. At the close of each month the net balance available of each port's Junk Dues Collection is to be remitted to my Junk Dues Account with the Hongkong and Shanghai Bank, Shanghai, and for this purpose the ordinary Revenue Remittance form, [B.—7], is to be employed with the insertion of the necessary account heading as shown in the appended *pro forma*† (Enclosure No. 1).

3.—In the monthly Report on Collection and Remittance, [B.—6], the collection and disposal of these junk dues are to be recorded separately in red ink in the "Native Customs Revenue" column beneath the usual black ink collection and disposal figures. These latter figures, therefore, at all the ports affected, will no longer represent the total Native Customs collection from all sources, daily and monthly, but the totals left when the junk dues figures have been deducted. The appended *pro forma*,† [B.—6] (Enclosure No. 2), illustrates the manner in which these junk dues are to be recorded. Separate vouchers are to be forwarded in support of all junk dues payments.

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\* Under Presidential Mandate of the 26th June 1924 these junk dues were set aside to form a fund for the instituting and upkeep of a Chinese coast-guard service, the ambitious aims of which were to protect native shipping by rooting out piracy; to prevent wholesale smuggling, more especially of arms and opium; to provide useful meteorological information to native shipping, such as timely warning of typhoons, etc.; and to establish and maintain where needed, more especially in the inland waterways, simple aids to navigation for the guidance of native craft. The scheme never developed, and was inadequately financed. (*Vide* I.G. Cir. No. 3581, *postea*, vol. iv, p. 54, and "China's Customs Revenue since the Revolution of 1911" (3rd Edition), 1935, pp. 45, 46.)

† Not printed.

4.—In the quarterly form, [B.—15], Native Customs Collection and Expenditure, the figures recorded under the first column—"Total Collection"—as well as those under the third column—"I.G.'s One-tenth"—are similarly to show in black ink the totals after the junk dues figures have been deducted, and in red ink the junk dues figures themselves.

5.—The Chinese versions of both the [B.—6] and the [B.—15] Reports are to be drawn up so as to show clearly all details of these junk dues as given in the English versions.

6.—The above instructions are to take effect from 1st July this year.

7.—The necessary changes in the returns to the Statistical Secretary for the printed Revenue tables, as well as certain other desirable alterations, will be dealt with in a separate Circular.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

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CIRCULAR No. 3524 (SECOND SERIES).

**Customs Benevolent Association: certain official funds to be placed at disposal of; I.G.'s remarks *re* establishment of, etc.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 23rd June 1924.

SIR,

1.—In common with other members of the Service I have noted with much interest the steps which have been taken to wind up the Customs Mutual Benefit Association and, after liquidating its affairs, to form a new Customs Benevolent Association.\* It was inevitable that, with the inauguration of the Service Pension and Superannuation Scheme, the Mutual Benefit Association would lose

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\* *Vide* also I.G. Cir. No. 3738, *postea*, vol. iv, p. 111, and I.G. Cir. No. 3915. In January 1927 the Chinese members of the staff formed a similar Benevolent Association, which investigates, and extends help to, cases of distress occurring among Chinese members of the Service.

its *raison d'être*, and I think that those responsible for its administration acted wisely in dissolving it in so far as the mutual benefit activities were concerned, while retaining the purely benevolent features of the original scheme. There are still, unfortunately, cases of acute distress, affecting former members of the Service or their dependents, though happily these are less frequent than before, which can only be mitigated by charitable assistance, and, as charity begins at home, it is right that the Service should undertake, in so far as it has the means and power to do so, the relief of such cases. Appeal for financial assistance has generally been made to the Inspector General, and, while I have had no Service funds which could be legitimately expended in relieving cases of this kind, my power to deal with them adequately from private resources has naturally been strictly limited. I therefore welcomed the formation of the Customs Benevolent Association, and I have decided to contribute to its funds both privately and officially.

2.—The official moneys which I propose in future to place at the disposal of the Customs Benevolent Association are the following:—

- (1) All commissions paid directly to the Service by insurance companies selected by employees for issue of their Service annuity in terms of the Pension and Superannuation Scheme.
- (2) All bribes surrendered by foreign employees in accordance with their duty to the Service, and all fines on foreign staff.
- (3) All contributions to the Pension Fund Contribution Account which for any reason cannot be issued to an employee or his estate, and on which there is no Service claim.

In regard to (1), I have reason to suppose that in most cases the insurance company pays a commission either to its own agent or to an agent named by the annuitant. In the case of most of the annuities purchased in China these commissions have gone to third parties. Annuities, on the other hand, purchased in London, application for which, after selection of the insurance company by the employee concerned, has been made by the Non-Resident Secretary, have resulted in payment of the usual commission to the Service. It is these sums accrued since the Pension and Superannuation Scheme came into force, and any future sums derivable from the same source, which I shall hand over to the Benevolent Association. In this connexion I have to remark that I believe it

to be within the power of any employee to secure for the benefit of the Benevolent Association the commission on his Service annuity, and I append copy of the Non-Resident Secretary's despatch No. 4721/I.G. dealing with this point.

In regard to (2), you are requested to note that it is only bribes surrendered by foreign employees which I shall hand over to the Benevolent Association. Bribes surrendered by Chinese employees, and I am glad to note that there have been many recent instances of this proper procedure, are being kept in a separate account until such time as a Benevolent Association under the auspices of the Chinese staff is formed, to which these and other analogous moneys, *e.g.*, fines on native staff, can be entrusted.

In regard to (3), it occasionally happens that an employee disappears or dies intestate, leaving his contributions in my hands. If after a reasonable interval no claim is made to these funds, and the Service has no lien on them, they will be handed to the Benevolent Association.

3.—The Committee of the Benevolent Association has done me the honour to ask me to be its Honorary President, and I have accepted the position. In view of the official contribution which I am able to make to the Association's funds, it has been arranged that one member of the Committee shall be nominated by the Inspector General.

It is my intention in future to refer all appeals for charity made to me personally by ex-members of the Service or their dependents to the Benevolent Association, and I wish it all success in its undertakings.

I have to request you to see that every foreign member of your staff has an opportunity of reading this Circular.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

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## ENCLOSURE.

*The Non-Resident Secretary to the Inspector General.*

No. 4721.

LONDON, 7th May 1924.

I.G.

SIR,

1.—I have the honour to acknowledge the receipt of your despatch No. 2062/6765 (Pensions No. 1338):

Instructing me to continue the practice established by my predecessor and to make every effort to obtain all commissions granted by insurance companies in cases where the Non-Resident Secretary is instructed to act as the intermediary between the company and the annuitant, such sums to be credited to the Annuities Commission Account:

and, in reply, to say that the desirability of replenishing the Annuities Commission Account with the commissions given by the insurance companies is well understood by this office; and the practice of claiming such commissions on annuities purchased through the Non-Resident Secretary has been systematically adhered to in all cases where he has acted as the sole intermediary between the annuitant and the head office of an insurance company. Difficulty has only occurred in collecting the commission when the prospective annuitant has approached the insurance company through one of its provincial agents, and the Non-Resident Secretary has thus ceased to be the sole intermediary.

2.—The practice of insurance companies is to pay their agents a commission on the business they bring; so that when an agent—as distinct from the head office—of an insurance company is approached by a Customs employee, he naturally claims from the head office the commission on the business he has brought to the company. This may embarrass the company, which (as is the case with the Sun Life Assurance Company of Canada, which gets most of our annuity business) wishes to pay us the commission in order to get more of our business, but cannot fail to meet the agent's claim for it. In the case of the annuity purchased for Mr. R. Ketels, Supernumerary Assistant, C, invalided in April 1923, the insurance office (the Sun Life of Canada) divided the commission in half, giving half to this office and half to its agent. This put us in a

position of obligation to the company and benefited a Service charity fund at the expense of the legitimate claims of an insurance agent—a state of affairs that I cannot think you would approve. In later cases, therefore—those of Messrs. A. H. Harris and P. L. O. Hill, who both purchased their annuities through the Southampton agent of the Sun Life Assurance Company of Canada,—I have not thought it well to do more than inform the London office of the company that I have no power to require annuitants to approach the head office direct, and that I cannot do more than tell them that if they do approach it direct the commission paid by the company will go to a Service charitable fund.

3.—By our Pension Rules it is left to the annuitant to make the best terms he can with the insurance company, so that a man who does not know that any commission paid to the Service goes to benefit a Service charity fund is just as likely as not to enlist the services of a local agent in procuring his annuity; or some men might even enter into negotiations with the company to throw the commission in with the purchase money. The point seems rather a delicate one to handle, as to restrict annuitants to dealings with head offices only might be an inconvenience and would in any case be a restriction on the free choice of method hitherto allowed. Possibly the best way to deal with it would be to inform the Service of the position by Semi-official Circular and leave it to the good feeling of individuals to purchase their annuities in such a way that the Annuities Commission Account may benefit.

I have, etc.,

C. A. V. BOWRA,  
*Non-Resident Secretary.*

## CIRCULAR No. 3528 (SECOND SERIES).

Chinese factory products: identification of, at time of export abroad; name of factory and brand to be stamped either on article itself, or on label, or on the actual packing; instructions.

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 1st July 1924.

SIR,

With reference to Circular No. 464, 'Third Series': \*

Chinese factory products: to be exempted from single duties if exported abroad:

I have to inform you that I forwarded recently to the Board copy of a despatch from the Shanghai Commissioner representing that under the procedure in force at that port the products of privileged factories are exempted from duty when exported abroad even though such articles may not be stamped, either on the articles themselves, or on the label, or on the packing, with the name of the producing factory and the brand of the article; that this practice in many cases has led to privileged factories adopting such special brand or form of packing as has been designated by the purchaser abroad, who retails the articles as being of other than Chinese origin; and that the object of advertising Chinese products abroad is thus defeated. The Shanghai Commissioner in his despatch put forward the following three suggestions:—

- (1) Whether it should be imperative for all factory products to be stamped with the brand and name of the factory, either on the article, or on the registered label, or form of packing;
- (2) Whether it is sufficient to register a distinctive brand and omit the name of the factory altogether; or
- (3) Whether it is sufficient to insert a slip in the packing stating that it is such and such a factory's product and make a declaration to this effect on the Application at the time of export;

and stated that, in his opinion, to adopt the first of these proposals would be best for China in the long run.

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\* 1.—I circulate, for your information and guidance, copy of Shui-wu Ch'u despatches Nos. 764 and 907, from which you will see that such of the Chinese factory products as have hitherto enjoyed the privileges of the single-duty treatment (*i.e.*, not including factory products enjoying other special duty treatment or exemption, such as prison manufactures, cigarettes manufactured in China, etc.) are to be passed free of duty if exported abroad and that a set of rules of procedure for duty treatment of privileged factory products including those declared for export abroad has been drawn up by the Shui-wu Ch'u.

2.—The following is a version in English of the rules:—

# RULES OF PROCEDURE FOR DUTY TREATMENT OF FACTORY PRODUCTS COMPILED BY THE SHUI-WU CH'U.

## SECTION I.

### *General Rules.*

ARTICLE 1.—Factory products exported abroad are free from all taxation. Factory products sold in China pay one full duty to the first tax office passed (Maritime Custom House, Native Custom House, or Likin Office or Barrier) and are free from all further taxation, under cover of *Yüntan*, with the exception of the Ch'ung Wên Gate loti tax.

ARTICLE 2.—Those rules apply only to the factory products of which the Shui-wu Ch'u's sanction for the privileged single-duty treatment has already been notified.

## SECTION II.

### *Export to Foreign Countries.*

ARTICLE 3.—As regards the products of the factories situated in the interior, which can only be exported abroad *via* an open port, and those of the factories situated in an open port, which are exported abroad *via* another port, the procedure for duty exemption shall be one of the two following alternatives at the option of the merchants\* concerned:—

- (a) *Bond Procedure*.—Merchants\* will previously execute a bond at the first tax office to be passed undertaking that in the event of the goods declared by them for export abroad not being exported within the prescribed time limit (as laid down below) the merchants\* are willing to be fined, etc. For each consignment of goods reported for export abroad the first tax office will issue a covering *P'ingtan*. When the goods have been exported abroad, the Maritime Custom House concerned will note the date of export on the *P'ingtan*, cover it with the seal, and return it to the exporting merchant to take back to the first tax office for cancellation. The time limit for return and cancellation of the *P'ingtan* is 12 months from the date of issue, and the fine for exceeding the time limit is to be twice the amount of duty. As to the appropriate guarantee required, it is left to the discretion of the first tax office to decide.

In the case of factory products exported abroad *via* more than two Maritime Custom Houses, the *P'ingtan* is to be sent on from the first to the second Custom House and from the second to the third and so on and retained by the last Custom House until the goods are finally exported abroad. If the goods are not exported abroad within the prescribed time limit, the last Custom House is to notify the fact to the first Custom House. On receipt of this notice the first Custom House claims payment of twice the amount of duty as fine from the factory concerned if the latter is situated at that port (*i.e.*, if the Custom House is the first tax station passed) or claims from the first inland tax station the one full duty from the amount of fine collected by the latter when the factory is situated in the interior.

- (b) *Duty Deposit Procedure*.—Merchants\* shall pay duty on deposit to the first tax office on every consignment of goods declared for export abroad. The first tax office shall issue a covering *P'ingtan*. When the goods have been exported abroad, the Maritime Custom House shall note the date of export on the *P'ingtan*, cover it with the seal, and return it to the exporting merchants, who will take it to the first tax office and request the return of the deposit. The deposit will be returned on presentation of the *P'ingtan* noted with date of export, but not after expiry of 24 months from the date of issue of the *P'ingtan*. In the case of factory products exported abroad *via* more than two Maritime Custom Houses, the *P'ingtan* is to be sent on from the first to the second Custom House and from the second to the third and so on and retained by the last Custom House until the goods are finally exported abroad. If the goods are not exported abroad within the

prescribed time limit, the last Custom House is to notify the fact to the first Custom House. On receipt of this notice the first Custom House carries into account the duty already paid on deposit if the factory is situated at that port (*i.e.*, if the Custom House is the first tax station passed) or claims from the first inland tax station the one full duty that has already been collected by the latter office on deposit if the factory is situated in the interior.

### SECTION III.

#### *Sale in China.*

ARTICLE 4.—Factory products sold in China pay their single duty either according to the new Import Tariff of 1919 or at 5 per cent *ad valorem* at the option of the merchants,\* and in the case of cotton goods, duty can also be paid according to the General Tariff of 1858 or the Special Tariff for cotton goods extracted from the Revised Import Tariff of 1902 (*vide* F.P. Circular No. 412).

ARTICLE 5.—Products of a factory in an open port shipped to another open port pay one full duty according to regulations to the first tax office (*i.e.*, the Maritime Customs), which will issue a Special Exemption Certificate freeing the products from Maritime Customs duty at the port of arrival. If these products are thence sent inland, a *Yüntan* will be issued by the Custom House without further payment of duty. If merchants wish to repack the goods into smaller packages (under Customs supervision) for sale at several places, the Custom House will issue the required number of *Yüntan*. Products of a factory situated in the interior pay one full duty to the first tax office (Native Customs or Likin Office or Barrier), and *Yüntan* will be issued. When such products are sent from one open port to another, the Maritime Customs will issue Special Exemption Certificate in exchange for the *Yüntan*, and if they are again sent inland, *Yüntan* will be issued to them by the Maritime Customs as in the case of factories situated in an open port.

ARTICLE 6.—If the first tax office passed by products of a factory situated in an open port or of a factory in the interior happens to be a Native Custom House or Likin Office or Barrier, such office is to collect the one full duty and issue *Yüntan*. If the destination given on the *Yüntan* requires the goods to pass a Maritime Custom House, the first inland tax office is to notify to the Superintendent of the Customs concerned the number given to the *Yüntan*, number of packages, and the amount of duty collected and to remit every week the amount of such duties to the Maritime Custom House concerned. As regards the goods which do not pass through a Maritime Custom House, the first inland tax office is to report and remit the amount of such duties to its respective controlling office.

ARTICLE 7.—The *Yüntan* is to be valid for 12 months from the date of issue.

### SECTION IV.

#### *Revenue Stamps.*

ARTICLE 8.—When merchants apply for issue of *P'ingtan* or *Yüntan* they are to hand in revenue stamps according to the following scale:—

| VALUE OF GOODS.              | STAMP. |
|------------------------------|--------|
| \$50,000 and above . . . . . | \$1.50 |
| \$10,000 " " . . . . .       | \$1.00 |
| \$ 5,000 " " . . . . .       | \$0.50 |
| \$ 1,000 " " . . . . .       | \$0.20 |
| \$ 500 " " . . . . .         | \$0.10 |
| \$ 100 " " . . . . .         | \$0.04 |
| Less than \$100 . . . . .    | \$0.02 |

### SECTION V.

#### *Additional Rule.*

ARTICLE 9.—Previous regulations and precedents—not included in these articles—regarding duty treatment of factory products remain in force as far as they are not contradictory to the procedure laid down in these rules.

*Note.*—The word "merchants" occurring in these rules and marked\* is to be interpreted by the Maritime Custom House to mean "the merchants whose factories enjoy the privileges," but if an inland tax office interprets it to include merchants buying or transporting privileged articles, the Maritime Custom House are to accept such interpretation. This note is added by the Inspectorate.

I now append copy of Shui-wu Ch'u despatch No. 832, from which you will see that, with a view to stimulating Chinese production by advertisement abroad, the Nung-shang Pu has adopted my recommendation that the first of the suggestions made by the Shanghai Commissioner be sanctioned, and that in future all privileged factory products are to be stamped with the brand and name of the factory, either on the article itself, or on the label, or on the actual packing of the article itself.

I have to request you to act accordingly and to see that in future all privileged factory products exported abroad bear a stamp showing clearly the brand and name of the factory either on the article itself, or on the label, or on the actual packing of the article itself. Since, however, the immediate adoption of this new ruling may cause difficulty at some ports inasmuch as some of the privileged factories may require warning, Commissioners at those ports where

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These rules are to have effect, as far as your office is concerned, from the date of receipt of this Circular, but *P'ingtan* issued by other offices (Custom Houses and inland tax offices) before such date are to be accepted. Single duty paid on factory products not covered by *P'ingtan* is not refundable even if they are subsequently exported abroad.

3.—Although the wording of Article 2 of these rules would imply that these rules apply only to such articles with such trade-marks as have been described in the Shui-wu Ch'u despatches authorising the privileged duty treatment, I have to inform you, with the approval of the Shui-wu Ch'u, that the descriptions of articles and trade-marks given in Shui-wu Ch'u despatches may be interpreted liberally, *e.g.*, when the Shui-wu Ch'u despatch mentions cotton socks only, mercerised socks may also be passed; and when cotton shirtings are mentioned, other cotton piece goods may also be passed. In case of doubt it will be better to demand a deposit and refer the question to the Inspectorate before you take any definite action. The question of trade-marks need not be pressed too hard as long as they are those actually used by the factory concerned—the reason why trade-marks, etc., are to be entered on *Yüntan*, etc., being to facilitate the identification of the goods with the covering documents. It will be the duty of the first tax office (Maritime Custom House or inland tax office) to see that the goods for which a *Yüntan*, Special Exemption Certificate, or *P'ingtan* is issued are the genuine products of a privileged factory and that the specified trade-marks are those actually used by the factory concerned.

4.—The *Yüntan* and *P'ingtan* issued under the above rules will contain the following particulars in order to enable the Customs and other tax offices to check evasion of duty by substitution, the temptation for which becomes stronger than ever now that factory products exported abroad are entirely exempted from duty:—

- (1) Locality and name of factory.
- (2) Number and description of packages.
- (3) Marks and numbers on packages.
- (4) Description of contents (according to the Tariff applied to).
- (5) "Chops," labels, or other marks of identification.
- (6) Quantity.
- (7) Value.
- (8) Amount of duty involved.
- (9) Date of expiry of time limit.

The above particulars are also to be given as far as feasible on the Special Exemption Certificates issued by the Customs.

difficulties are anticipated are authorised to issue a notification to the effect that the new ruling will come into force three months from the date of receipt of this Circular.

The new ruling does not apply to shipments of privileged factory products from treaty ports to treaty ports.

I am, etc.,

F. A. AGLEN,

*Inspector General.*

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## ENCLOSURE.

稅務處令第八三二號 中華民國十三年六月十九日

案查前據總稅務司呈稱據江海關稅務司呈稱享有特例利益各商廠凡出品上印有牌號務必來關註冊其印有牌號特式之包裝亦應照此辦理惟此項商廠平時常有外洋買主向其定貨要求不用該廠原有牌號改用洋商自定之牌號在定貨人之意蓋欲以此假冒歐洲物品而本埠各商廠對於此等要求大概允予照辦并照定貨人之牌號來關註冊以便於出口時得享特例之利益現據華純製造廠函請本關准將該廠簽名蓋戳之出口報單及箱件內附之貨名單作為該廠出品之實據本關未予核准在稅務司之意如果准如所請是予人以任意舞弊之機現在稅務司對於此等廠貨辦法有應呈候核定者

(一) 凡有商廠製出物品應否必須在該貨上或標籤或包裝上印出牌號並廠名

(二) 該貨牌號如已在關註冊是否毋庸再於貨上印出廠名

(三) 廠貨在出口時如在出口報單內聲明該貨係某廠製造并於箱件內附一貨單註明某廠出品字樣

本關應否認為廠貨之實據



現在中國如爲將來貿易發達起見似宜照第一項辦法訂明出口之廠貨必須在貨上及標籤或包裝上印出牌

號廠名方准享受特例之利益等情竊查此事應作如何規定自應由政府決定施行惟若照該稅務司所擬第一

項辦法辦理既於中國實業之前途有裨且於海關之稅收亦頗有益似爲一舉兩得之道但是否可行之處擬請

鈞處與農商部酌奪辦理理合備文呈請鑒核示復施行等情當經本處據情轉行農商部核復去訖茲准咨復稱

查各地廠家製造貨物如改用定貨人之牌號赴關註冊易滋流弊江海關稅務司所陳假冒物品暨影響稅收各

節均屬實情所訂三種辦法爲杜絕弊端起見該稅務司擬採用第一種辦法本部深表贊同應咨請查核辦理等

因前來本處復查此案江海關稅務司所擬第一種辦法既經農商部咨復贊同自可照行嗣後所有各處曾經核

准按照機製洋式貨物稅法完稅之商廠其所製貨品欲享特例利益者必須在該貨上或標籤或包裝上印出牌

號並廠名俾便查驗而免隱射除分行外相應令行總稅務司轉令各關稅務司遵照辦理可也此令

## CIRCULAR No. 3533 (SECOND SERIES).

**Revenue: return of currencies actually used for payment of duties to be forwarded in June and December; instructions.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 10th July 1924.

SIR,

A number of cases have come up recently in which Commissioners have asked for instructions regarding increases of commissions to banks for collecting revenue, acceptance of bank-notes when tendered in payment of duty, and kindred questions, which demand, before an answer can be given, a clear knowledge of the main facts regarding the money market, more especially in relation to the duty-paying currencies, at the port from which the application comes. Unfortunately, the information necessary is not always supplied at the time of the original application, and the obtaining of it entails both extra correspondence and delay. To obviate this in the future, and at the same time to provide me with full information of the changes which are constantly taking place in the nature of the currencies actually used at the ports for the payment of Customs dues and duties, I have to instruct you, (1) immediately on receipt of this, to prepare on the lines of the accompanying *pro forma*, [B.—45] (printed copies of which will be supplied by the Statistical Secretary), and forward to me a report on the currencies actually used for the payment of duties at your port; and (2) hereafter, on 30th June and 31st December, beginning with December this year, to send forward a similar report along with the [B.—6] Report on Collection and Remittance for these months. Native Customs establishments functioning under my control are to submit separate reports.

As this report is meant to supply details of the various currencies actually handed over the counter in settlement of duty payments, it does not supplant the particulars given on the front page of the [B.—6] Report, which in certain cases cover purely book currencies and in other cases currencies of assessment as distinct from currencies in actual circulation. In order, therefore, that this report, both now and in the future, may be a full and accurate summary of the currency conditions at each port as they affect the payment of duty, I have to request you to see to it that it is drawn up each time only after careful investigation and inquiry. As things are now, currency conditions seldom remain for long unchanged, and it is essential

that I should be kept well informed of the general trend of these changes. Here, however, a word of warning may be necessary. When making inquiries from the bank which collects the revenue, and on which (although not the sole source of information) you will probably have, in the main, to rely for the approximate percentage of each currency used in duty payments, you should avoid conveying the impression that any change is contemplated in the terms upon which the bank is at present responsible for the collection of the revenue.

I am, etc.,

F. A. AGLLEN,  
*Inspector General.*

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## ENCLOSURE.

[B.—45]

.....*Customs.*REPORT ON CURRENCIES ACTUALLY USED IN THE  
PAYMENT OF CUSTOMS DUES AND DUTIES

For the Month of..... 19 .....

| CURRENCY USED.   | Rate of<br>Equivalence to<br><i>Hk.Tls.</i> 1. | Approximate<br>Percentage of<br>Revenue paid<br>during Month in<br>this Currency. |
|--|--|---|
| SYCEE: Name of Tael (English and Chinese):—  |  |   |
| LARGE SILVER COINS: <i>i.e.</i> , Dollars—Mexican,<br>Dragon, Yuan Shih-k'ai, Hongkong (clean or<br>chopped); Japanese Yen (gold or silver); Piastres;<br>etc.:— |  |   |
| SMALL SILVER COINS: <i>i.e.</i> , 50, 20, and 10 cent<br>pieces .....  |  |   |
| COPPER CENTS .....   |  |   |
| CASH .....   |  |   |
| BANK-NOTES: Name of Issuing Bank:—   |  |   |
|  |  | 100.00  |

If Drafts on a large trading centre, such as Shanghai, Hankow, or Canton, are accepted in payment of duty, the following paragraph is to be filled in:—

Approximately      % of the Revenue is paid by Drafts on the.....Bank,  
....., at the rate of  $\frac{\text{Dollars}}{\text{Tals}}$  .....to *Hk.Tls.* 1.

.....  
*Commissioner.*

CUSTOM HOUSE,

.....19.....

## CIRCULAR No. 3545 (SECOND SERIES).

**Commissioner's absence from port, charge of official bank accounts during: instructions *in re*. Bank accounts for custody of official and semi-official funds to be opened and operated solely by Commissioner.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 3rd September 1924.

SIR,

1.—Recently a Commissioner who was about to absent himself from his port for a period not exceeding 10 days (Circular No. 162) notified the bank in which his official accounts were kept that during his temporary absence Mr. — (the senior foreign Assistant) was empowered to sign cheques on his (the Commissioner's) behalf. The manager of the bank concerned at once replied that he could not accept Mr. —'s signature on cheques without the Inspector General's authorisation, and I have to say that the attitude of the bank in this matter was entirely correct, for the reason that no one is empowered to sign cheques on any official account unless he holds the Inspector General's commission, or, in special circumstances, is specially authorised by the Inspector General to do so.

Circular No. 162 lays down that Commissioners leaving port for a few days (not more than 10) should specially avoid being away during the first and last days of any month, thereby implying that the current work at the end of the month—*e.g.*, issuing salaries, making payments on account of current expenditure, etc.—is to be attended to by the Commissioner himself.

When a Commissioner thus leaves his port for a period not exceeding 10 days he does not surrender his commission even temporarily, and he has, therefore, no authority to empower any other person during his absence to sign cheques on the official accounts placed in his personal charge by virtue of that commission. Should a Commissioner consider it necessary or expedient to make provision for certain payments during his absence, he should make arrangements therefor by issuing cheque or cheques in advance or by placing sufficient funds for the purpose in the official safe before leaving.

When a Commissioner is granted "short leave" (*e.g.*, for one month) by the *Inspector General*, he is officially instructed by the *Inspector General* to hand over charge to Mr.

when thus officially placed in charge by the Inspector General, holds temporarily the Inspector General's commission, by virtue of which he is empowered to sign cheques on official accounts. In such circumstances the correct procedure with regard to the charge of the official accounts is for the outgoing and the incoming officers, respectively, to notify the banks concerned that, *acting under the Inspector General's instructions*, the one is handing over charge and the other is taking over charge of the office, temporarily, and that the latter will until further notice sign cheques on the official accounts.

2.—It has also recently been brought to my notice that at a certain port bank accounts for the receipt and temporary custody of official and semi-official moneys (*e.g.*, deposits, etc.) had been opened and were being operated by the Assistant in charge of the General Office without even the cognizance of the Commissioner. This, of course, is entirely wrong, and I trust that no such practice exists elsewhere. All bank accounts for the receipt of official and/or semi-official moneys should be opened under the authority and in the name of the Commissioner and should be operated by him alone unless special authority to act otherwise has been asked for and obtained from the Inspector General.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

## CIRCULAR No. 3561 (SECOND SERIES).

Chinese language: Assistants' knowledge of: revised compendium  
of rules and instructions *in re*.

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 13th October 1924.

SIR,

Since the issue of Circular No. 2354\* there have been so many modifications in the rules and instructions governing the examination of Assistants in Chinese that the continued use of this Circular by Assistants as a guide to the general conditions under which the Inspectorate examinations are now conducted is liable to be confusing. I realise that what is at present wanted is an up-to-date handbook—on the same lines as that compiled by Mr. A. H. Harris,† late Commissioner, and published under Customs Publications IV.—Service Series: No. 38—embodying the rules and instructions as they are to-day and setting forth the advice as to methods of study which have appeared from time to time in various Circulars, together with a selection of the examination papers set during previous years. The important question of new textbooks is, however, now under consideration, as notified in Circular No. 3508, and pending its settlement I have deemed it advisable to delay the publication of such a handbook in order that when it appears the information contained therein may be as complete as possible. The present Circular is now issued in order that immediate needs may be met and that Assistants may have no difficulty in ascertaining the exact rules for Chinese examinations and study now in force.

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\* *Antea*, vol. iii, p. 223.

† Alfred Herschell Harris was born on the 29th October 1863 at Ootacamund, Madras, India, and joined the Customs Service in July 1883 as 4th Assistant, B. After a year at Hankow he proceeded to Peking, where he spent a year and a half studying Chinese. From March 1886 to the end of July 1890 he was detached for duty as interpreter on special duty with the Viceroy Li Hung-chang at Tientsin. During his career of 40 years in the Customs Mr. Harris served at Lungchow, Shanghai (twice), Wuchow, Yochow, Changsha, Swatow, Kowloon (twice), Newchwang, Amoy, and Canton. From November 1901 to June 1902 Mr. Harris acted as Assistant Statistical Secretary. In October 1908 he was promoted direct from the rank of Chief Assistant to the position of full Commissioner. In May 1904 Mr. Harris had the distinction of establishing the Customs at the recently opened port of Changsha. While at Kowloon—September 1908 to March 1912 and again from April 1916 to September 1918—Mr. Harris took a leading part in the negotiations with the Hongkong authorities for a Customs Agreement. He was Davis Scholar in Chinese at Oxford in 1892, and was examiner in Chinese for the Service in 1913. He holds Blue Button of the 4th Class; Civil Rank of the 3rd Class; Order of the Double Dragon, 4th Class; and Order of the Chia Ho, 3rd Class, 2nd Class, and 3rd Class with Brilliance.

The number of (1) Assistants who joined before 1910 and who have not yet completed their Chinese examinations, and (2) Assistants who had passed in parts of the examination for either Certificate *B* or Certificate *A* before the rule allowing such Assistants to make good their failure in any one part in a succeeding year was abrogated in 1918, is so small that I have not considered it necessary to embody the special rules governing them, which are laid down in rules 12, 13, 14 of Circular No. 2354\* for Assistants under (1) and in rule 7 of the same Circular for Assistants under (2) and which will remain as heretofore; with this exception, however, all previous Circulars issued on this subject are now superseded.

### STUDY OF CHINESE: RULES FOR FOREIGN ASSISTANTS.

1.—Assistants who do not hold Certificate *C*, and who are not being examined for Certificate *C*, will, at about the same time of year as the Inspectorate examination, be subjected to examination by the port Commissioners. The examination will be on the same lines as the Inspectorate examination, and its standard will be in accordance with the number of months or years the examinee has served in China. The result of the examination and the quantity of bookwork presented by the examinee for examination will be reported to the Inspector General. The services of Assistants who seem to be making no serious effort to learn Chinese, or who are practically making no progress in the language, will be dispensed with.

Junior Assistants to be examined by port Commissioners.

2.—An Assistant is required to qualify for Certificate *C* not later than at the next examination held after he has completed three years' service in China, but he may not enter for an examination to be held before he has completed two years' service in China. In case of failure so to qualify, he will either be discharged or promotion will be withheld until he does qualify. An Assistant who fails to qualify within the required time limit will be given one year's grace before promotion is withheld or his services are dispensed with, provided that he shows that he is studying conscientiously.

Certificate C.

*Note.*—An exception to the rule that an Assistant may not enter for an examination to be held before he has completed two years' service in China may be made in the case of an Assistant who has been employed in the London Office, before coming to China, and who has seriously studied Chinese whilst there.

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\* *Antea*, vol iii, p. 223.



Certificate  
B.

3.—An Assistant is required to qualify for Certificate *B* not later than at the next examination held after he has completed five years' service in China. In case of failure so to qualify, promotion will be withheld until he does qualify. With the exception of Assistants who did not qualify for Certificate *C* within the required time limit, Assistants will not be allowed to enter for Certificate *B* till the next examination but one after that at which they obtained Certificate *C*. An Assistant who fails to qualify within the required time limit will be given one year's grace before promotion is withheld, provided that he shows that he is studying conscientiously.

Assistants  
who have  
obtained  
Certificate  
*B* but not  
Certificate  
*A*.

4.—An Assistant who has obtained Certificate *B* but has not obtained Certificate *A* is required either to requalify for Certificate *B* at the examination held in the fourth year spent by him in China after he originally qualified for this Certificate or to enter for Certificate *A* at the examination held in the fourth year after he originally qualified for Certificate *B*, and at every subsequent examination whilst in China, and obtain 40 per cent of the aggregate marks obtainable. In case of failure either to requalify for Certificate *B* or obtain the requisite number of marks in the examination for Certificate *A*, promotion will be withheld until he satisfies either one or the other of these requirements.

Certificate  
*A*.

5.—The examination for Certificate *A* is optional; but all Assistants are expected to take it, and only Assistants who hold Certificate *A* will—except under quite exceptional circumstances—be promoted to the rank of Deputy Commissioner or Commissioner or be considered qualified for acting appointments as Deputy Commissioners or Commissioners. An Assistant may not enter for this Certificate till the next examination but one after that at which he obtained Certificate *B*.

Certificate  
*A* with  
honours.

6.—The examination for Certificate *A* may be passed with or without honours. An Assistant who has passed the examination for Certificate *A* without honours may apply to be re-examined on any subsequent occasion with a view to obtaining Certificate *A* with honours. Other qualifications being equal, an Assistant who has passed with honours will in the case of an acting appointment—especially one where a thorough knowledge of Chinese is needed—be preferred to an Assistant who has obtained only an ordinary Certificate *A*.

Certificates  
are only  
granted  
when all  
parts of an  
examination

7.—The examination for Certificate *A* will be divided into three parts—(i) written documentary, (ii) viva voce colloquial, (iii) viva voce documentary; the examination for Certificate *B* into

two parts—(i) colloquial, (ii) documentary; and the examination for Certificate C into two parts—(i) written, (ii) viva voce. No Certificate can be obtained till all the parts of an examination are passed. Failure in any part cannot be made good by passing in that part only in a succeeding year, and a candidate must also requalify in the part or parts in which he was previously successful.

are passed.  
Failure in one part of an examination cannot be made good by passing in that part only in a succeeding year.

8.—Examinations will in all cases consist of both written and viva voce tests. An Assistant whom it is not possible to examine viva voce, but who passes the written portion of an examination, will be subjected to the viva voce examination as soon as opportunity offers, and should he be successful and thus complete his examination, he will then be entitled to enter for a higher Certificate at the next examination but one after that at which he passed the written portion. If no opportunity offers to subject him to the viva voce examination before he becomes entitled to enter for a higher Certificate, he will in that case be given the option of entering for the higher Certificate or completing his examination for that Certificate for which he has already qualified in the written portion of the examination. For purposes of promotion such Assistants will be considered to have passed their viva voce examination.

Assistants who pass written tests and cannot be examined viva voce: treatment of.

9.—In applying these rules full allowance will be made for time spent on long leave and for service out of China. If, during the first three years of his service in China, an Assistant is not either stationed for a year at a port north of Chinkiang, or sent for six months to Moukden or Peking to study Chinese, the fact will be taken into consideration should he fail to qualify for Certificate C within the required time limit.

Absence from China and junior Assistants not being stationed in North China will be taken into consideration.

10.—The Inspector General reserves to himself the right to subject any member of the Staff to examination in Chinese, whenever he considers that circumstances make such examination advisable. It is to be remembered that our standard is not a particularly high one and there is danger of rapidly losing what has been acquired at considerable pains unless study is kept up or practice sought. All holders of Certificate A should aim at obtaining Certificate A with honours, and those who do not do so should bear in mind this rule regarding re-examination.

I.G. reserves right to examine any member of Staff in Chinese.

*Certificate C.*—A mastery of Sir Walter Hillier's "The Chinese Language and How to Learn it," Second Edition (two volumes); "Kuan Hua Chih Nan," Parts I and II; "T'an Lun Hsin Pien," chapters 1 to 30. Ability to speak fluently and with a good pronunciation and vocabulary on easy topics.

Certificate: knowledge requisite for gaining of.

*Certificate B.*—A mastery of “Kuan Hua Chih Nan,” Parts I and II; “T’an Lun Hsin Pien,” chapters 1 to 80; Hirth-Brewitt-Taylor’s “Documentary Textbook,” Second Edition, documents 1 to 21, 47 to 69, 98 to 123, 148 and 149, 168 and 169, 188 and 189, 229. Ability to speak fluently and with a good pronunciation and vocabulary on all ordinary and Customs subjects. Ability to translate easy Chinese documents and newspaper paragraphs unaided.

*Certificate A.*—Ability to transact easily any business in spoken Chinese without the aid of an interpreter; to translate readily and correctly anything from and into written Chinese with the assistance of dictionaries and a Chinese Writer unversed in any language save his own; to translate ordinary Chinese documents unaided.

*Certificate A\*.*—Assistants who in both colloquial and documentary Chinese have reached an exceptionally high and practical all-round standard in Class *A* and are able to master readily and thoroughly, unaided, difficult Chinese documents that have not been seen before will be given Certificate *A* with honours.

*Note.*—The official languages of the Service are English and Chinese, and the object of the Chinese examinations is to secure that foreign Assistants shall be able to translate from either of these two languages into the other. In the examinations for Certificates *B* and *C* a high standard of English is not demanded, but Assistants should remember that inability to converse freely in English or to write intelligibly a simple English translation necessarily handicaps a candidate; and those who are deficient in this respect should make every endeavour to remove as soon as possible a defect which the longer it is allowed to remain the more difficult it will be to overcome, thus seriously affecting their chances of eventually obtaining Certificate *A*. The possession of Certificate *A* is intended to show that an Assistant’s linguistic attainments are sufficient to qualify him to take charge of a port. For this the ability to express himself lucidly in grammatical English is essential. That it is more difficult for one of Japanese nationality to acquire this facility than it is for his colleagues from Western countries is evident; but on the other hand, it is easier for the former to learn Chinese than it is for the latter, and the relative advantages are thereby equalised.

The examination for Certificate *C* will consist of—

Examina-  
tions:  
details of.

# I. WRITTEN.

|         |  |           |
|---------|--|-----------|
| Test 1. | Translation into English, unaided,<br>from Hillier . . . . .   | 50 marks. |
| „ 2.    | Translation into English, unaided,<br>from “Kuan Hua Chih Nan” and<br>“T’an Lun Hsin Pien” . . . . .                                   | 50 „      |
| „ 3.    | Translation into Chinese, unaided,<br>from Hillier . . . . .   | 50 „      |
| „ 4.    | Translation into Chinese, unaided,<br>from “Kuan Hua Chih Nan” and<br>“T’an Lun Hsin Pien” . . . . .                                   | 50 „      |
| „ 5.    | Isolated characters: recognition of 25<br>Chinese characters, romanisation<br>and English meaning to be given by<br>examinee . . . . . | 50 „      |
|         | Isolated characters: writing of 25<br>Chinese characters, the English<br>equivalent and the romanisation<br>being given . . . . .      | 50 „      |
| „ 6.    | Knowledge of Customs terms: English-<br>Chinese and Chinese-English . . . . .  | 20 „      |
| „ 7.    | General questions . . . . .  | 80 „      |

# II. VIVA VOCE.

|         |   |           |
|---------|---|-----------|
| Test 8. | Translation into English (from text-<br>books) . . . . .  | 50 marks. |
| „ 9.    | Translation into Chinese (from text-<br>books) . . . . .  | 50 „      |
| „ 10.   | Conversation . . . . .  | 50 „      |
| „ 11.   | Oral interpreting . . . . .   | 50 „      |
| „ 12.   | Pronunciation . . . . .   | 50 „      |
| „ 13.   | Knowledge of tones: optional for all<br>except men who have studied either<br>at Peking or at Moukden for two<br>months or more . . . . . | 25 „      |

*Note 1.*—In test 9 candidates are given the English translation of a portion selected from one of the textbooks—the portion selected being notified in

the Circular announcing the forthcoming examination each year—and are required to reproduce the Chinese equivalent verbatim.

*Note 2.*—If the optional test—knowledge of tones—is taken up by men who have not studied at either Moukden or Peking for two months or more, the marks gained by the examinee will be counted as extra marks; they will be added to his total marks for the whole examination—but not to his marks for conversation and oral interpreting—without any addition being made to the aggregate of marks obtainable; for men who have had the advantage of studying at Moukden or Peking for two months or more, this test is, of course, obligatory, and the 25 marks obtainable for it are added to the aggregate of marks obtainable. (This rule is new and the reduction in marks from 50 to 25 for this test is a departure from the instructions of Circular No. 2354; for this reason the change will only take effect from the examination to be held in 1925.)

The examination for Certificate *B* will consist of—

# I. COLLOQUIAL.

## (a) *Written.*

- |         |  |           |
|---------|--|-----------|
| Test 1. | Translation into English, unaided,<br>from "Kuan Hua Chih Nan,"<br>"T'an Lun Hsin Pien," and unseen  | 50 marks. |
| „ 2.    | Translation into Chinese, unaided,<br>from "Kuan Hua Chih Nan" and<br>"T'an Lun Hsin Pien" . . . . . | 50 „      |

## (b) *Viva voce.*

- |         |   |           |
|---------|---|-----------|
| Test 3. | Reading aloud and translating into<br>English from "T'an Lun Hsin Pien"                   | 25 marks. |
| „ 4.    | Reading aloud and translating into<br>English of a previously unseen<br>passage . . . . . | 25 „      |
| „ 5.    | Translating into Chinese from "T'an<br>Lun Hsin Pien" . . . . .                           | 50 „      |
| „ 6.    | Conversation . . . . .  | 50 „      |
| „ 7.    | Oral interpreting . . . . .   | 50 „      |

## II. DOCUMENTARY.

(a) *Written.*

|         |   |            |
|---------|---|------------|
| Test 8. | Translation into English, unaided, of a document from Hirth-Brewitt-Taylor . . . . .  | 100 marks. |
| „ 9.    | Translation into Chinese, with the aid of dictionaries but without the aid of a Chinese Writer, of a document from Hirth-Brewitt-Taylor, writing the Chinese characters . . . . . | 100 „      |
| „ 10.   | Recognition of isolated characters . . . . .  | 50 „       |
| „ 11.   | Knowledge of Customs terms: English-Chinese and Chinese-English . . . . .   | 20 „       |
| „ 12.   | Optional: writing of Chinese characters from memory ( <i>i.e.</i> , in test 2) . . . . .  | 25 „       |

(b) *Viva voce.*

|          |  |           |
|----------|--|-----------|
| Test 13. | Reading aloud and translating into English of a document from Hirth-Brewitt-Taylor . . . . . | 50 marks. |
| „ 14.    | Reading aloud and translating into English of a previously unseen document . . . . .         | 25 „      |
| „ 15.    | Translating passages from newspapers . . . . .   | 50 „      |

The examination for Certificate *A* will consist of—

## I. WRITTEN DOCUMENTARY.

|         |  |           |
|---------|--|-----------|
| Test 1. | Translation into English, unaided, of a previously unseen despatch . . . . .   | 50 marks. |
| „ 2.    | Translation into English, with aid of Writer and dictionaries, of a difficult Chinese document previously unseen . . . . . | 50 „      |
| „ 3.    | Translation into Chinese, with the aid of Writer and dictionaries, of an English document . . . . .                        | 100 „     |

## II. VIVA VOCE COLLOQUIAL.

|         |                             |           |
|---------|-----------------------------|-----------|
| Test 4. | Conversation . . . . .      | 50 marks. |
| „ 5.    | Oral interpreting . . . . . | 50 „      |

## III. VIVA VOCE DOCUMENTARY.

Test 6. Reading aloud and translating into  
English of previously unseen Chinese  
documents . . . . . 75 marks.

„ 7. Translation into English of newspaper  
paragraphs . . . . . 50 „

Certificates:  
minimum  
marks  
necessary to  
gain.

Certificate *C* will be issued to a man who obtains in his  
examination—

60 per cent of full marks, and

60 per cent of full marks in conversation and oral inter-  
preting combined.

Certificate *B* will be issued to a man who obtains in his  
examination—

60 per cent of full marks in each of the two parts, colloquial  
and documentary, and

60 per cent of full marks in conversation and oral inter-  
preting combined.

*Note.*—If the optional subject—writing of Chinese  
characters—is taken up, the marks gained in it by the  
examinee will be counted as extra marks, without any  
addition being made to the aggregate of marks obtain-  
able. They will be allotted either to his written  
colloquial or written documentary marks, or divided  
between these two divisions of the examination as is  
most advantageous to the examinee.

Certificate *A* will be issued to a man who obtains in his  
examination—

60 per cent of full marks in each of the three parts—  
written documentary, viva voce colloquial, viva voce  
documentary.

Certificate *A\** will be issued to a man who obtains in his  
examination—

80 per cent of full marks in each of the three parts—  
written documentary, viva voce colloquial, viva voce  
documentary.

*Note.*—The written tests for the examinations *A*  
and *A\** are the same, but the viva voce tests given to  
candidates for honours are of considerably greater  
difficulty than those given to candidates for the  
ordinary *A* Certificate.

The examiner who conducts the Inspectorate viva voce examinations is to keep a note-book, giving full details of the examination of each Assistant. His note-book is to be supplied with an index of the names of the men examined. It is to be submitted to me by the examiner, together with a general report on the results of the examination, in which are to be embodied any suggestions he may have to make for rendering the examination more effective and for furthering Chinese studies.

Inspectorate examiner to prepare a report and notes of the examination, etc.

Commissioners are authorised to pay the passage of the viva voce examiner from place to place and to issue to him any advances he asks for; such outlays are to be charged direct to Account *A* and statements of amounts involved are to be forwarded immediately to the Audit Secretary without covering despatch. Commissioners are also authorised to send to another port any Assistant whom the viva voce examiner wishes to examine there. The passages of such Assistants to and from the port in question, as well as half hotel expenses for each day they are unavoidably detained there, is to be paid from Service funds. For all these payments the present Circular is to be quoted as authority.

Inspectorate examiner's travelling expenses to be paid, etc. He may summon Assistants to other ports to be examined.

The possession of Certificates *C*, *B*, and *A*, together with the year of the examination at which they are obtained, is to be noted on the Memoranda of Service of Assistants and in the Staff Record Books. The class of Chinese knowledge for which Assistants have qualified will be recorded in the "Service List" by symbols after their names as follows:—

Recording of Certificates.

(A\*) = has qualified for Class *A*, with honours.

(A) =       "               "       *A*.

(B) =       "               "       *B*.

(C) =       "               "       *C*.

Assistants (including those acting as Deputy Commissioners or in charge of ports) who wish to enter for the Inspectorate examination, or whose duty it is under the rules of this Circular to enter for it, are to forward officially to the Inspector General as soon as the date of the forthcoming examination is notified, statements in duplicate, giving the following particulars:—

Examination papers: particulars required for preparation of.

- (a) Name, rank, age, and date of joining.
- (b) Number of years served in China.
- (c) Number of years stationed north of Chinkiang.
- (d) Number of months stationed at Peking or Moukden studying Chinese.



- (e) Certificate held, with year of examination at which it was obtained.
- (f) What class of Chinese knowledge he wishes to qualify for. (In the case of an Assistant who has passed the written portion of an examination but whom it has not been possible to examine viva voce, the facts are to be stated under this heading, together with information as to whether he wishes to be subjected to the viva voce examination of the class in which he has already passed the written portion, or whether, if so privileged under rule 8, he wishes to enter for the higher Certificate.)

Assistants  
going on  
home leave.

Assistants wishing to go on home leave immediately after the date of the written Inspectorate examination should without delay inform their Commissioners, for report to the Inspectorate, as to what route they intend to take if their leave is granted, in order to enable special arrangements to be made, if necessary, for their viva voce examination.

Teachers  
allowance.

With a view to encouragement, every Assistant will during the first six years of service in China, get an allowance of \$10 for every month during which he actually employs a Chinese teacher—a fact to be certified to on the receipt voucher; this allowance is to be issued quarterly.

Chinese  
studies: re-  
marks on.

Much useful information concerning the methods of studying Chinese is to be found in Circular No. 1756, §§ 8 and 12, and also in the various oral examiners' reports on the examinations of previous years, which are embodied in the Circulars notifying the results of these examinations; information regarding the translation of English documents into Chinese appears in the enclosures to Circular No. 1947.

Supervision  
of studies.

It is the Commissioner's duty to see that newly joined Assistants begin to study at once, and that junior Assistants study regularly; to assist them with kindly advice; to watch their studies systematically; and, in the initial stages, to test their progress at intervals of about a month. They should also help Assistants commencing the study of documentary Chinese over the initial difficulties, and occasionally read with them documents written translations of which have been prepared by the Assistants concerned for the occasion. They should, further, see that the Chinese attainments of Assistants do not become rusty by want of use: they should give them opportunities of doing Chinese work, by affording them access to the current

non-confidential Chinese correspondence, and by giving them opportunities to draft Chinese documents relating to current work, pointing out any defects to the drafter, and, they should allow unimportant verbal business with minor officials and Wei yüan to be attended to by Assistants whenever convenient. Ports are constantly calling for the provision of Assistants possessing an adequate knowledge of Chinese, which shows how necessary this is for the smooth working of the Service. Commissioners are urged, therefore, to co-operate in the work of supplying this demand by doing all that is in their power to help those juniors who are really trying to master the difficulties of the language and by bringing pressure to bear on those who are inclined to shirk study. It is also the duty of Commissioners to see that Assistants obtain some knowledge of the history of the country and of the Service in which they have elected to make their careers, and with this end in view, Commissioners should see that Assistants read the Customs publications in the office libraries and other standard works on China, which are in print now or which may be published hereafter. In busy ports Commissioners are authorised to delegate, by an order in the Order Book, the duty of supervision of Chinese studies to a really competent member of their staff—not necessarily the most senior one,—who should also be entrusted with the work of examination in cases where Commissioners do not do it themselves.

The question of teachers for junior Assistants demands some Teachers. attention on the part of Commissioners, and they should be ready to give what assistance they can in procuring competent men to teach. At ports where no competent teachers are to be found, arrangements should be made by the Commissioner with the Assistants concerned for procuring, through the Chinese Secretary, the Nanking Commissioner, or other agency, competent teachers, and for the allotment of the latter's time and of the sharing of the outlay involved. Study without any teacher to refer to when necessary is to be deprecated.

One private copy of this Circular is to be given to every Assistant who comes under its rules and who has not yet obtained his Certificate A, and to those joining hereafter on arrival at their first port.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

## CIRCULAR No. 3581 (SECOND SERIES).

Coast-guard Bureau: establishment of, at Woosung: functions of, and relations with Customs; assistance to be afforded to; instructions.

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 8th January 1925.

SIR,

1.—In my Circular No. 3339 \* of 30th September 1922 I gave an account of two Government undertakings in the promotion of which I had some share, namely, the Technical Committee of the Yangtze River (Conservancy) Commission and the Hydrographic Department of the Chinese Admiralty. A third project which has interested me greatly, and which I have been instrumental in steering through the initiatory stages, has now taken definite shape. Like the Hydrographic Department, it is a department of the Chinese Admiralty, and its official designation is the Coast-guard Bureau (海岸巡防處), sanctioned by Presidential Mandate of 26th June 1924 and formally established at Woosung under the direction of Admiral C. C. Hsü, C.N. (許繼祥), on 2nd July 1924.

2.—The provision of a Coast-guard Service is a duty that properly belongs to the Naval authorities: the functions of a coast-guard are primarily police functions. At no time in China's history has the want of an efficient organisation of this kind been more felt. Piracy is rampant in many coastal districts and river estuaries, arms and opium smuggling by sea-going steamers is carried on in the most brazen way under military protection of the various factions who are struggling for power, and little attempt has hitherto been made to utilise the most recent resources of science in affording to the junk trade of China protection from the forces of nature and the lawlessness of man. The general adoption of wireless telegraphy on shore and afloat, and the inestimable services rendered by observatories in China and neighbouring foreign territories in tracing and announcing the direction of typhoons, have made the establishment of Coast-guard stations equipped with wireless and connected by a patrol a crying need. Encouraged by the success of the Hydrographic Department, I have urged the Ministry of the Navy to create a Coast-guard Department on somewhat similar lines, to function like the Hydrographic Department in close co-operation with our Marine Department.

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\* *Antea*, vol. iii, p. 672.

3.—From the appended copy of my despatch to Admiral C. C. Hsü, C.N., you will see how I propose to co-operate with the new Department. While I shall assume the responsibility of maintaining its financial solvency, I have considered it undesirable for many reasons to saddle either myself or the Marine Department with administrative or technical responsibility for any of its activities with the exception of those which concern the provision and maintenance of aids to navigation. The duties to be undertaken in other respects are beyond our scope and properly belong to the Naval authorities.

There are many directions within the limits that I have laid down in which our experience, our vessels, and our Staff can render assistance, and I feel confident that assistance will always be readily given. Later Circulars will deal with Coast-guard development as it proceeds, and I trust that nothing but the most cordial relations will be maintained between the Department and our Service.

I am, etc.,

F. A. AGLLEN,  
*Inspector General.*

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ENCLOSURE No. 1.

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*The Inspector General to Admiral C. C. Hsü, C.N., Hydrographic  
Department of Chinese Navy, Shanghai (Woosung).*

|           |              |
|-----------|--------------|
| No. 6759. | Coast-guard. |
| General.  | No. 1.       |

PEKING, 8th January 1925.

SIR,

1.—With reference to various conversations which have taken place between us on the subject of the Coast-guard Service of the Admiralty to be inaugurated under your direction, and to semi-official correspondence on the same subject, I desire to place on record certain conclusions which we have reached, seeing that, on the one hand, you have made a start and that, on the other hand, funds from the Junk Dues Collection are now available.

2.—The want of a Coast-guard Service for China has long been much felt. It is a matter which I have pressed on the attention of various Ministers of the Navy for several years. The success which has attended the creation of the Hydrographic Department of the Navy under your direction emboldened me to urge the Minister of the Navy to take the next step and to create a Coast-guard Service on somewhat similar lines. The difficulty of procuring dependable funds delayed matters, but finally it was arranged that certain dues collected from junks by the Native Customs under the control of Commissioners of Customs should be set aside to form the nucleus of a fund on the analogy of the tonnage dues collected from steamers by the Maritime Customs. Authority for this procedure, after some delay, was obtained from the Ministry of Finance, and the bringing of these dues to separate account began on 1st July 1924. For purposes of record I enclose copy of my correspondence with the Shui-wu Ch'u in this connexion.

3.—As outlined by me in my representations to the Ministry of the Navy, it was suggested that the Coast-guard Service should have for its objective the four following aims:—

- (1) The prevention of piracy by means of a patrol between Coast-guard stations;
- (2) The prevention of smuggling, more especially in connexion with the clandestine traffic in opium and arms;
- (3) The provision of meteorological information of a simple kind for native shipping, with a view to giving timely warning of the many typhoons which every year strike the Chinese coast, and such measures for the saving of life as it may be found possible to undertake; and
- (4) The establishment and maintenance of simple aids to navigation at places on the coast and inland waterways frequented by junks and by small steamers and launches trading under Inland Waters Regulations, such as the unclassified lights and beacons which have hitherto been provided by local and voluntary effort.

All the above undertakings may fittingly be entrusted to a Chinese Coast-guard Service. In addition, it has been decided for purposes of expediency and convenience to place in the hands of the Coast-guard Service the project of installing a meteorological station on the Pratas Reef, to which the Admiralty, on behalf of the Chinese Government, had already committed itself while the Coast-guard Service was under discussion.

4.—A feature of the scheme is co-operation between the Admiralty, as represented by yourself, and the Maritime Customs. After much thought I have decided that it will be best for the Maritime Customs to assume no responsibility of a technical or administrative nature in connexion with the establishment and equipment of the Coast-guard stations, the patrol, or, in general, with any of the activities of the Service under the first three headings enumerated above. In regard to the fourth heading—provision of aids to navigation at inland places—I have suggested, and I understand that you concur, that it will be most convenient for these duties to be undertaken by the Marine Department of the Maritime Customs, on behalf of and at the cost of the Coast-guard Service. The expenditure I foresee will not be very great, and I am prepared to reinforce the funds of the Coast-guard Service by an annual grant from my Tonnage Dues Account, representing the estimated amount of tonnage dues paid by vessels trading under Inland Waters Certificates. To summarise, co-operation will accordingly consist—

- (1) In provision of funds, so far as receipts allow, by the Inspector General, it being understood that he assumes no responsibility for the disbursement of these funds.
- (2) In advice, whether administrative or technical, to be freely given, when desired, by the Inspector General and the technical heads of the Marine Department of the Customs, it being understood that neither the Inspector General nor the Marine Department assumes any responsibility for the actual working of the Coast-guard Service and the results obtained, save in regard to the exception made in the case of provision and maintenance of inland aids to navigation by the Marine Department of the Maritime Customs.
- (3) In affording all possible assistance to the Coast-guard Service which can be given in the course of their performance of routine duties by either Maritime Customs vessels (revenue steamers, lights-tenders, launches) or Staff (Coast and River Inspectorate, Lightkeepers, etc.).
- (4) In assuming, on behalf of the Coast-guard Service, the responsibility and duties of providing and maintaining, so far as funds permit, aids to navigation at inland places.

Seeing that the administrative head-quarters of the Coast-guard Service are located at Shanghai (Woosung), while my work confines me to Peking, I propose to depute the Coast Inspector to act as my liaison officer to confer with you on all matters where co-operation, as indicated above, is necessary.

5.—In regard to the provision of funds, it is to be noted that the income at the disposal of the Coast-guard Service is a variable one, depending on receipts and not on a fixed grant. In order, however, that you may have some reliable figure on which to base your expenditure, it was decided in principle, in conversation with you, that it would be most convenient to issue these funds in the form of a fixed monthly grant based on a conservative expectation of the annual Junk Dues Collection,\* and it was agreed that a sum of \$10,000 a month would meet present requirements. To cover this amount I accordingly propose to issue in monthly instalments, beginning from 1st January 1925, a quarterly quota of *Sh.Tls.* 22,280 (@ 111.40 = *Hk.Tls.* 20,000 @ 150 = \$30,000). The expenses incurred by you in preliminary work during 1923–24 will be refunded in one sum in dollars, and this will be dealt with in a subsequent despatch.

6.—What precedes covers the main points which were discussed with you on your recent visits to Peking. I shall be obliged if you will kindly confirm these arrangements, at the same time pointing out to me any further matters which in your opinion require elucidation. I am forwarding this despatch under flying seal through the Coast Inspector in order that he may take cognizance of its contents.

I have, etc.,

F. A. AGLEN,  
*Inspector General of Customs.*

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\* From the 1st January 1925 a monthly appropriation of \$10,000 was paid from the Inspector General's Junk Dues Account (*vide antea*, I.G. Cir. No. 3517, vol. iv, p. 23) to the Coast-guard Bureau, the headquarters of which were at Woosung. From the 1st January 1926 the appropriation was increased to \$15,000 a month, and to \$20,000 a month from the 1st November of the same year. The sum of \$119,940, being cost of erecting the meteorological and wireless station on Pratas Islands—opened 25th July 1926—was also paid from the Junk Dues Account. The collecting of these junk dues ceased on the 1st June 1931 with the closing of all *intra-50-li* Native Customs establishments (*vide postea*, I.G. Cir. No. 4240, vol. iv, p. 478), and the last regular instalment of junk dues revenue was paid to the Coast-guard Bureau in May that year. The remaining balance was remitted in November 1931.

## ENCLOSURE No. 2.

稅務處令第四一二號 中華民國十二年三月二十六日

案准海軍部第五三號咨開據海道測量局局長許繼祥呈請將沿海分爲四區每區分段酌置軍艦砲艇致力巡防統計造艦以及全國海岸綫無線電報應用之費共約須銀八十萬兩但使國家多數十萬金開辦之負擔一年萬餘金之經常費得令沿海盜氛平靜航路安全與稅務航業前途裨益實非淺鮮擬請卽就海關常稅內所收民船噸鈔項下撥用俾名稱其實用得其當並擬先擇兩區試辦俾款少而成效宏第使克奠始基作爲模範成效既著卽可逐漸擴充以上所擬分區分段設備以及籌撥常稅內民船噸鈔辦法是否有當伏乞鑒核咨請稅務處轉行總稅務司核議等情前來查本部前定海防計畫因無款迄未施行茲核該局長所陳各節先擇二區開辦尙屬輕而易舉所費無多受益匪淺應請轉行總稅務司約同許局長妥商辦法並希見復以憑提交國務會議等因到處相應照鈔海軍部原咨令行總稅務司查照核議具復以憑咨轉可也此令 附抄件

照錄海軍部來文 民國十二年三月二十三日

爲咨行事據海道測量局局長許繼祥呈稱職局編制測量製圖技術各設專股交通公安事項特設專處職掌併重計畫甚周誠以領海不自測量所謂所有權者僅爲空談公法自行測量矣領海公安莫保所謂



管轄權者仍屬名不副實海權綰握關係靡輕職局長奉任以來兢兢以此注意上年特呈鈞部請將沿海分爲四區每區分段第一直魯區設在烟台以葫蘆島大沽青島爲分段第二江浙區設在吳淞以海州象山溫州爲分段第三閩粵區至東經一百十五度止設在福州以廈門汕頭爲分段第四粵瓊區設在廣東以廣州灣北海爲分段每區置軍艦一艘每一二段酌置砲艇一隻致力巡防實仰體鈞部設立海防團之至意舉其犖犖大者甲防止海盜乙防止越關私運禁品丙救護遭難船舶丁維持沿海船舶交通戊警報天時氣候實行以上五項職掌計應用艦艇除鈞部已造海鳧海鵠海鴻海鶴各砲艇派在分段可以適用足敷布置外各區之艦其輪機宜配磨達蒸汽并用之機關能航最高之速率俾遇事不待升火卽刻開船該艦艙面應設一切救難器械桅上無綫電電力并須致遠我海軍艦艇均爲戰鬥設備似難適用擬請特製此項專供巡防之艦查英國北海漁獵船式最爲適宜經江南造船所繪圖估價每艦長百三十餘尺僅須銀九萬餘兩中國洋面風力常較北海猛烈應照該船式加長至一百八十尺每艦料須銀十五萬兩四艦價值約須銀六十萬兩再沿海無綫電之設備除各區及分段之青島三處已設有電台外以上各段一併設置經西門子電廠估價僅須美金七萬三千三百七十二元加購地造台以及各艦艇設置等至多須銀二十萬兩統計造艦以及全國海岸綫無綫電報應用之費共約須銀八十萬兩查民國九年份海關冊載中國民船進出口船隻航進各口計三十一萬六千五百六十艘航出各口計三十三萬一千七百

十七艘統共進出口船隻次數平均計算共三十二萬四千一百三十八艘中國汽船以及其他航海小船尚不在內或因風災無預先警告之方法或因遇霧無臨時方向之指示船舶淹沒人命死亡其爲電信交通所阻以致遇盜搶劫等事見諸報告者殊難枚舉但使國家多數十萬金開辦之負擔一年萬餘金之經常費得令沿海盜氛平靜航路安全與稅務航業前途裨益實非淺鮮擬請卽就海關常稅內所收民船噸鈔項下撥用俾名稱其實用得其當抑局長更有陳者作事艱於謀始所費冀勿虛糜開辦所需之款應先力求撙節無事鋪張額外應用之人儘可兼選關員佐理其事謹擬先擇兩區試辦俾款少而成效宏第使克奠始基作爲模範成效既著卽可逐漸擴充以上所擬分區分段設備以及籌撥常稅內民船噸鈔辦法是否有當伏乞鑒核咨請稅務處轉行總稅務司核議等情前來查本部前定海防計畫因無款迄未施行茲核該局長所陳各節先擇二區開辦尙屬輕而易舉其對於沿海要區設置無線電機以備遇風遇霧時有以指示船隻避險之法以砲艇梭巡海岸使盜賊斂跡於商務稅收自必起色所費無多受益匪淺相應咨請

貴處轉行總稅務司約同許局長妥商辦法並希見復以憑提交國務會議爲荷此咨

總稅務司呈復 稅務處成字第二五二號 中華民國十二年七月十八日

呈爲詳核海道測量局許局長擬將沿海分區分段設置艦艇以備巡防一案情形復請

鈞鑒事奉到第四一二號

令以案准海軍部第五三號咨開據海道測量局局長許繼祥呈請將沿海分爲四區每區分段酌置軍艦砲艇致力巡防統計造艦以及全國海岸綫無線電報應用之費共約須銀八十萬兩但使國家多數十萬金開辦之負擔一年萬餘金之經常費得令沿海盜氛平靜航路安全與稅務航業前途裨益實非淺鮮擬請卽就海關常稅內所收民船噸鈔項下撥用俾名稱其實用得其當並擬先擇兩區試辦俾款少而成效宏第使克奠基作爲模範成效既著卽可逐漸擴充以上所擬分區分段設備以及籌撥常稅內民船噸鈔辦法是否有當伏乞鑒核咨請稅務處轉行總稅務司核議等情前來查本部前定海防計畫因無款迄未施行茲核該局長所陳各節先擇二區開辦尙屬輕而易舉所費無多受益匪淺應請轉行總稅務司約同許局長妥商辦法並希見復以憑提交國務會議等因到處相應照鈔海軍部原咨令行總稅務司查照核議具復以憑咨轉等因奉此代理總稅務司查海道測量局許局長所擬將沿海分區分段設置艦艇一切計畫範圍未免太大以現時中國財政情形而論此事似宜循序漸進徐圖擴充庶辦理方易措手現聞該局長因公赴滬請卽令其與海關駐滬巡工司會同商酌妥擬辦法一俟正任總稅務司銷假來京後再由該巡工司將所商辦法呈候正任總稅務司核奪辦理代理總稅務司現已令行該巡工

司俟許局長到滬時卽與妥爲接洽矣奉到前因理合備文復請  
鑒核轉咨可也謹呈

稅務處令第一六八〇號中華民國十二年十一月十七日

案查海道測量局許局長擬將沿海分段設置艦艇以備巡防請就海關常稅內所收民船附稅項下撥用一案前據代理總稅務司包羅第二五二號呈復以查該局長所擬計畫範圍未免太大以現時中國財政情形而論此事似宜循序漸進徐圖擴充庶辦理方易措手現聞該局長因公赴滬請卽令其與海關駐滬巡工司會同商酌妥擬辦法一俟正任總稅務司銷假來京後再由該巡工司將所商辦法呈候正任總稅務司核奪辦理代理總稅務司現已令行該巡工司俟許局長到滬時卽與妥爲接洽應請鑒核轉咨等情當經本處據情轉咨海軍部查照並請轉行許局長知照在案現准海軍部咨稱據本部所屬海道測量局局長許繼祥呈稱爲沿海民船航綫應依輪船航綫保護辦法懇請提交國務會議等情當經據情會同財政部提交國務會議公決茲承准國務院函開准貴部會同財政部提議沿海港口并無燈誌浮標氣候警報設備民船損失甚鉅經派員與總稅務司商權防護計畫擬將民船所納附稅每年約銀十餘萬兩作此項經費提請公決茲經國務會議議決由財政部咨商稅務處核辦等因除函財政部外相應函達查照等因除令飭該局長遵照先行設處籌辦外相應抄錄原呈送請查照辦理

並希見復等因到處查此事既經該局長呈明派員與總稅務司商榷防護計畫擬將民船所納附稅每年約銀十餘萬兩作此項經費並經由部提請國務會議議決由財政部咨商本處核辦自應從長計議以臻妥協准咨前因相應照錄該局長原呈令行總稅務司查照議復以憑咨轉可也此令附抄件

照錄海道測量局呈十二年十一月三日到部

呈爲沿海民船航線應依輪船航線保護辦法懇請提交國務會議由財政部咨行稅務處查照辦理事竊局測量海道關於沿海航路之安全應與海關會商辦法俾航線可以擴充稅課亦能增進前經遵照職局官制職掌劃明領海管轄界線並條陳沿海航路保安辦法經由

鈞部咨商稅務處並由局長會商總稅務司呈報在案查輪船航行保安事項有氣候警報燈誌浮標之建設巡防之保護向由海關徵收輪船附稅名爲噸鈔專供此種設備之經費通商以來輪船航線上之設備尙屬完全職局辦理海道測量應合民船統籌兼顧至民船航行保安事項除沿海屬於民船航線應行添設燈誌外又以制止海盜救護難船爲輪船民船兩獲安全之要政查海關徵收本國民船稅課屬於貨物者爲正稅其貨物以外之附稅與噸鈔無異亦應取此輸將供此設備分別常關正附兩稅之收入庶款可正名用得其實當於海上保安前途裨益良非淺鮮理合備文呈請

鈞部提出國務會議咨行稅務處飭下總稅務司查照辦理實爲公便謹呈

海軍總長

署海道測量局局長許繼祥

稅務處令第一七四四號 中華民國十二年十一月二十八日

案查海軍部所屬海道測量局提議保護沿海民船航綫擬就海關常稅內所收民船附稅項下撥用一案前准海軍部咨稱各節當經鈔錄該局長原呈以第一六八〇號令行總稅務司查照議復在案茲准財政部咨稱查海軍部所屬海道測量局請將沿海民船航綫依照輪船航綫保護辦法設備燈誌浮標氣候警報既經海軍部派員與總稅務司商榷防護計畫並擬將民船所納附稅每年約銀十餘萬兩作此項經費是此案海軍部與貴處當必早有接洽惟海軍部原咨所稱民船附稅當係指海關所收民船船鈔而言究竟此項船鈔有無正附稅之分每年實收數目確有若干能否按照劃撥又將來沿海民船航綫施設燈誌浮標氣候警報等項應由何項機關經理均須請由貴處轉行總稅務司核擬具復以憑咨商核辦等因又准函稱查海軍部提議沿海民船航綫保護辦法一案業經咨行貴處查照核辦在案茲准海軍部函送原提議案前來應抄錄原件函請查照併案辦理等因前來相應抄錄提議案令行總稅務司查照部咨所詢各節併案核擬具復以憑辦理可也此令

附件

## 照抄海軍部提出議案

竊自本部設立海道測量局以來國際測海公會對我領海航路之安全極爲注意查輪船航路向經海關設立燈誌浮標氣候警報一切頗稱完備其經費由洋稅噸鈔項下撥付但沿海港口岸交通之處均爲民船所經之路其間并無設備以致民船遇霧遭風被盜生命財產損失甚鉅茲經本部派員與總稅務司商榷防護計畫并擬將民船所納附稅每年約銀十餘萬兩作爲此項經費藉以保安海道亦與稅課前途大有裨益敬候公決

總稅務司呈復 稅務處成字第四二五號 中華民國十二年十二月十四日

呈爲海軍部所屬海道測量局請將民船船鈔撥作保護沿海民船航綫之用一案現就財政部諮詢各節縷晰陳明具文復請

鈞鑒事竊查此案前奉第一六八〇號

令以既經海道測量局局長呈明派員與總稅務司商榷防護計畫擬將民船稅所納附稅每年約銀十餘萬兩作此項經費並經由部提請國務會議議決由財政部咨商本處核辦自應從長計議以臻妥協相應令行總稅務司查照議復以憑咨轉等因奉此正核議間又奉第一七四四號

令以案查海軍部所屬海道測量局提議保護沿海民船航綫擬就海關常稅內所收民船附稅項下撥用一案前准海軍部咨稱各節當經鈔錄該局長原呈以第一六八〇號令行總稅務司查照議復在案茲准財政部咨稱查海軍部所屬海道測量局請將沿海民船航綫依照輪船航綫保護辦法設備燈誌浮標氣候警報既經海軍部派員與總稅務司商榷防護計畫並擬將民船所納附稅每年約銀十餘萬兩作此項經費是此案海軍部與貴處當必早有接洽惟海軍部原咨所稱民船附稅當係指海關所收民船船鈔而言究竟此項船鈔有無正附稅之分每年實收數目確有若干能否按照劃撥又將來沿海民船航綫施設燈誌浮標氣候警報等項應由何項機關經理均須請由貴處轉行總稅務司核擬具復以憑咨商核辦等因又准函稱查海軍部提議沿海民船航綫保護辦法一案業經咨行貴處查照核辦在案茲准海軍部函送原提議案前來應抄錄原件函請查照併案辦理等因前來相應抄錄提議案令行總稅務司查照部咨所詢各節併案核擬具復以憑辦理等因復奉此總稅務司現將第一七四四號

鈞令內載財政部所詢各節縷晰陳明如下

(一)財政部所謂民船附稅當係指海關所收民船船鈔而言一節查該項民船船鈔並非海關所徵之船鈔緣海關祇徵輪船及洋式帆船之船鈔其五十里內各常關經管民船應徵之船鈔向來由各常關徵收一併歸入



所徵常稅總數之內惟船隻所納之船鈔與貨物所納之稅款本有區別所以現擬援照海關船鈔成例嗣後即將常關所徵之民船船鈔另立一項特別帳目不再歸入常稅總數之內

(二) 此項船鈔有無正附稅之分一節查此項船鈔並無正附稅之分向來常關所徵之該項船鈔均歸入所徵常稅總數之內已於上文詳細說明

(三) 每年實收數目確有若干一節查此項船鈔向來既未另立特別帳目則每年實收究有若干自屬無憑稽考現據總稅務司所預算每年實收約有關平銀十五萬兩

(四) 能否按照劃撥一節查此項船鈔如實在撥作設立保護沿海民船航綫機關及其常年經費之用在總稅務司之意即可按照劃撥

(五) 將來沿海民船航綫施設燈誌浮標氣候警報等項應由何項機關經理一節現擬所有辦理此項保護沿海民船航綫事宜之機關可歸海軍臨時所轄仍循海軍部所屬海道測量局之辦法由該機關與海關海政局會同接洽因海道測量局與海關海政局接洽辦法甚有成效也

所有財政部所詢各節均於上文詳細陳明究竟此項船鈔可否按照劃撥之處應請

鈞處轉行

財政部酌核辦理可也謹呈

稅務處令第七八七號 中華民國十三年六月十一日

案查關於海道測量局擬將民船船鈔撥作保護沿海民船航線經費一案前准交通部咨稱應先行會商再訂辦法等因業經本處分咨海軍部財政部與交通部會商並行知總稅務司在案嗣准海軍部交通部會咨以關於保護沿海民船航線經費一案現經海軍交通兩部會商辦法意見相同并擬將此項機關定名為全國海道工防處除咨請財政部查照海軍部十三年一月十九日咨文將民船船鈔項下全數撥用外應咨請查照轉令總稅務司遵照辦理等因復經本處咨行財政部查核見復去後茲准財政部咨復稱查此案前准海軍部一月十九日來咨以保護沿海民船航線設備燈誌浮標氣候警報等事應用之款仍請將各海關五十里內常關所收民船船鈔全數劃撥俾便進行各節維時本部因此事正准交通部咨詢商酌對於海道航線管轄權限尙待研究是以咨達貴處將撥款一層暫從緩議在案茲准前因既經海交兩部會商同意所有前咨擬將上項船鈔全數撥充經費自可照辦除由部咨復并以此項事務前係海道測量局所呈請現准會咨將該機關定名為全國海道工防處是否就海道測量局合併改組抑係在測量局內附設一處或另立機關以及該處擬於何時開辦隨文咨請海交兩部見復備案外應咨請查照轉令總稅務司即自海道工防處開辦之月起將各海關五十里內常關民船船鈔專款登

記由江海關稅務司儘數逕撥該工防處收用仍隨時將撥數呈由貴處轉咨過部以備查核等因到處相應令行  
總稅務司查照辦理可也此令

總稅務司函復 稅務處第一六九九號 中華民國十三年六月十八日

敬復者海道測量局擬將民船船鈔撥作保護沿海民船航綫經費一案奉到第七八七號

令以准財政部咨稱此事既經海交兩部會商同意擬將上項船鈔全數撥充經費自可照辦應咨請轉令總稅務司即自海道工防處開辦之月起將五十里內各常關民船船鈔專款登記由江海關稅務司儘數逕撥該工防處收用等因到處相應令行總稅務司查照辦理等因奉此總稅務司自應轉令各關稅務司將此項民船船鈔遵照撥交以資應用惟此事於各口之兼管常關者均有關係並非僅於江海一口有關是以此項鈔款自不能令由滬關稅務司彙總撥解茲擬由總稅務司在上海特立一項帳目令行兼管常關之各口稅務司自本年七月一日起按月將所徵是項船鈔匯解上海歸入前項特帳之內並由總稅務司自行經理撥交應用是否有當理合函請

鈞處鑒核轉咨財政部酌度辦理示復施行可也專復順頌

公綏

稅務處令第八二九號 中華民國十三年六月十八日

案查關於保護沿海民船航綫經費一案前准財政部咨請轉令總稅務司自海道工防處開辦之月起將各海關五十里內常關民船船鈔專款登記由江海關稅務司儘數逕撥該工防處收用各節業經本處以第七八七號令知總稅務司查照辦理在案茲又准財政部來咨以所定全國海道工防處是否就海道測量局合併改組抑係在測量局內附設一處或另立機關以及該處擬訂於何時開辦經本部咨請交通部查復茲准復稱全國海道工防處組織大綱二十一條業經議定由海軍交通兩部總長批准在案該處係另立機關並非就海道測量局合併改組至開辦日期應俟海軍部暨本部將組織大綱會同呈請

大總統批准並派定人員後再訂開辦日期實行領款等因應咨請查照等因除俟各該部呈准派員訂期開辦咨行到處再行知照外相應令行總稅務司查照可也此令

稅務處令第九七八號 中華民國十三年七月十二日

案查各海關五十里內常關民船船鈔撥作保護沿海民船航綫經費一案前據總稅務司第一六九九號函稱各節當經本處據情咨行財政部查照酌核見復以憑飭遵在案茲准財政部咨復稱查此案前經本部咨請貴處轉令總稅務司自海道工防處開辦之月起將五十里內各常關民船船鈔專款登記儘數撥交該處收用隨時將撥

數報查後復准交通部咨稱此項全國海道工防處組織大綱業由海軍交通兩部總長批准應俟會同呈請

大總統批准並派定人員後再訂開辦日期實行領款等因業於本年六月十四日咨達貴處查照在案茲准前因在總稅務司所擬令行各關自本年七月一日起將是項船鈔按月匯解上海特立一項賬目由該總稅司自行經理撥交一節事屬可行惟實行撥用時仍應查照交通部前咨俟海交兩部將全國海道工防處組織大綱會同呈奉

大總統批准并派定人員後再行訂期照辦並按月將收撥數目報由貴處咨轉過部以資接洽應咨復查照飭遵又准海軍部咨稱查此案前經與交通部議定辦法並擬將該機關名曰全國海道工防處嗣因事屬創辦不厭求詳復經詳加斟酌以此項機關名稱實與對外極有關係原擬海岸巡防(按英文爲 Coast-guard)係依各國通例茲仍用原擬海岸巡防處名稱似較適宜且開辦伊始事權宜專方便進行迭經與交通部往返咨商意見相同經會呈

大總統於六月二十六日奉

指令呈悉准如所擬辦理此令等因除抄錄原呈分咨財政部查照並令飭海道測量局局長兼全國海岸巡防處處長許繼祥遵照辦理外應錄呈咨請查照辦理各等因並抄會呈稿前來除咨行財政部查照外相應照抄原呈會呈稿一分令行總稅務司遵照此令

附件

照錄 海軍交通部會呈 大總統稿 十三年六月二十一日發

呈爲查照閣議原案會擬全國海岸巡防事宜先行派員籌辦恭呈仰祈

鈞鑒事竊維領海保安海軍應盡職責近年海上盜氛不靖英國海軍派艦巡防粵海實啓越俎代庖之漸海軍部忱於主權關係擬按各國海岸巡防通例將全國海岸綫分割防區除派艦巡防外創設傳報氣候及指導艦位各台於本國民船航路內添設燈誌事屬特務所有經常之費卽在海關常稅內民船船鈔項下撥用藉資維持上年十一月六日由海軍財政兩部將此次防護計畫及經費指撥緣由經國務會議議決由財政部咨商稅務處核辦節經呈報在案海軍部嗣准交通部咨以民船航路添設燈誌有關交通部職掌請爲會商辦理茲經海軍交通兩部斟酌再三乃以創辦伊始事權宜專方可便於進行現由海軍部主政辦理就吳淞適中地點設立全國海岸巡防處卽派現在海道測量局長許繼祥兼任處長職務先行設處開辦籌備進行隨時將籌辦情形由海軍部咨行交通部查照嗣後關於添設燈誌電台之工程事宜再由海軍部咨商交通部辦理似此劃分權限既便利於推行而兩部職掌所關復可兼籌并顧且對外則關係主權尤應尅期舉辦以圖補救所有會擬辦理全國海岸巡防事宜先行派員籌辦緣由理合呈報

鑒察備案伏乞

訓示施行再此案係海軍部主稿合併聲明謹呈

大總統

海軍總長李

交通總長吳

稅務處令第一〇三〇號 中華民國十三年七月二十三日

案查各海關五十里內常關民船船鈔撥作保護沿海民船航綫經費一事前准財政部海軍部來咨當經本處照錄原會呈稿以第九七八號令行總稅務司遵照在案現復准財政部咨稱准海軍部咨以關於保護沿海民船航綫經費一案前與交通部議定辦法擬將該機關名曰全國海道工防處嗣復詳加斟酌以此項機關對外極有關係茲仍用原擬海岸巡防處名稱似較適宜迭與交通部往返咨商意見相同經會呈

大總統於六月二十六日奉

指令呈悉准如所擬辦理此令等因除鈔錄原呈分別咨令外應抄呈咨請查照辦理等因附抄件到部查前項保護沿海民船航綫事宜既經海軍部會同交通部重行商訂名稱爲全國海岸巡防處呈奉

大總統指令照准由海軍部抄咨前來自應照咨備案惟原呈內稱所有經常之費卽在海關常稅內民船船鈔項

下撥用一節查海關並不徵收常稅此項船鈔係海關稅務司兼管之五十里內常關所收民船船鈔呈內詞義與該款事實微有不符嗣後動撥此款似應正名為各海關五十里內常關民船船鈔或簡稱爲五十里內常關民船鈔以符其實除咨復海軍部並分咨交通部外咨行查照轉飭總稅務司知照等因到處相應令行總稅務司遵照可也此令

稅務處令第一〇七四號中華民國十三年七月三十日

准海軍部咨稱據海道測量局局長兼全國海岸巡防處處長許繼祥呈報全國海岸巡防處謹於七月二日卽就吳淞海道測量局內設處開辦理合將開辦日期呈請鑒核備案等情應咨請查照轉行總稅務司知照等因到處查此案前准財政部咨稱經海軍部會同交通部重行商訂名稱爲全國海岸巡防處呈奉

大總統指令照准惟原呈內稱所有經常之費卽在海關常稅內民船船鈔項下撥用一節查海關並不徵收常稅此項船鈔係海關稅務司兼管之五十里內常關所收民船船鈔呈內詞義與該款事實微有不符嗣後動撥此款似應正名為各海關五十里內常關民船船鈔或簡稱爲五十里內常關民船鈔以符其實除咨復海軍部並分咨交通部外咨行查照轉飭總稅務司知照等因當經本處以第一〇三〇號令行總稅務司遵照在案茲復准海軍部咨稱前因自應照辦除咨照財政部並咨復海軍部外相應令行總稅務司遵照可也此令



## SEMI-OFFICIAL CIRCULAR No. 48.

***Tatsu Maru* case of 1908: copy of Sir Robert Hart's Memorandum with reference to criticism contained in a recent work by an ex-Commissioner of Customs.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 19th February 1925.

SIR,

You have no doubt read a book which has recently appeared and has been widely advertised by Messrs. Kelly and Walsh, entitled "In the Chinese Customs Service: a Personal Record of Forty-seven Years, by Paul King,\* sometime Commissioner of Customs in China." This book, as the reviewers have been quick to note, owes whatever interest it may have for the general public less to the author's record of his own personal experience and achievements than to what he has to say about the personality and administration of his chief for a greater portion of the time, the late Sir Robert Hart.

In reading the book I was particularly struck by the impression sought to be conveyed in the account of the *Tatsu Maru* case†—an incident which made some stir at the time—that the late Inspector

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\* Paul Henry King was born on the 3rd June 1853 at London. After education at Haileybury and on the Continent he joined the Customs Service as 4th Assistant, A, on the 21st January 1874. During his long career of 47 years in the Service, Mr. King served at Swatow, Kiukiang (twice), Chefoo (twice), London Office (three times), Shanghai (twice), Tientsin, Hangchow, Kowloon, Canton (twice), Pakhoi, Wuhu, Ichang, Amoy, and Foochow. He was promoted Deputy Commissioner in November 1899 and full Commissioner in April of the following year. During the Boxer year he was Commissioner at Canton, where he came much in contact with the great Viceroy Li Hung-chang, who, in view of the siege of Peking by the Boxers, appointed him to control the Custom Houses of the Liang Kwang (*vide antea*, vol. ii, p. 230, footnote). The only Inspectorate posts held by Mr. King were those of Statistical Secretary, from April 1911 to October 1912, and of Non-Resident Secretary in London from the 1st June 1914 to the end of September 1920. On leaving the London Office he was granted six months' leave prior to retirement. He died at Guernsey in October 1938. Besides his well-known book "In the Chinese Customs Service," Mr. King wrote, either singly or in collaboration with his wife, a number of novels, the best known of which is "The Raven on the Skyscraper." Mr. King held the Order of the Double Dragon, 3rd Division, 1st Class, and 2nd Division, 3rd Class; the Order of the Chia Ho, 3rd and 2nd Classes; and Civil Rank, 4th and 3rd Classes.

† The *Tatsu Maru II*, a Japanese steamer of 1,900 tons, under charter to carry a load of coal direct from Japan to Hongkong, was seized by one of the Canton Viceroy's gunboats off Macao waters on the 5th February 1908 for attempting to land arms. The arms, consisting of 1,500 rifles and 40,000 cartridges, were consigned to a Chinese firm in Macao authorised by the Macao Government to deal in arms. Captain Woo, the commander of the gunboat making the seizure, complicated the issue by hauling down the Japanese flag. The Provincial authorities, supported by Mr. P. H. King, then Commissioner of Customs at Canton, wished to refer the case to the decision of a Court of Joint Investigation. To this the Japanese would not agree, nor would they agree to a reference to the Hague Tribunal. In the end, the Peking Government sought the advice of Sir Robert Hart who did not uphold the Viceroy's attitude. Why? The plain man has no doubt noticed with astonishment how great administrators, when extraordinary circumstances arise, are able to bring

General had let the Chinese Government down in what was probably his last official intervention in Chinese affairs, and I had the curiosity to look up the Inspectorate record of this case.

The case was not a Customs case, but the fact that the vessel was seized by Chinese territorial authorities in waters adjacent to the foreign port of Macao and taken to Canton brought it within the cognizance of both the Lappa and the Canton Commissioners. The correspondence on record was almost exclusively with the Lappa Commissioner, and its object was to elicit a true statement of the facts. There is no indication of any desire or intention on the part of the Inspectorate to intervene in the case, and no authority was given to either of the Commissioners concerned to touch it directly in any way.

The circumstances at the Inspectorate were these. Sir Robert Hart was about to proceed on leave and had relinquished active charge of affairs, being occupied in arranging his private papers (Circular No. 1483\*). When, owing to the inflamed state of public opinion in Canton and the proceedings of the Viceroy, the case was approaching a critical stage, the Government considered it necessary to have Sir Robert Hart's personal opinion and advice, and he was called upon to give them. He presumably asked for the papers and, grasping at once the salient points of the case, drafted the Memorandum in which he enumerated them. A copy of this Memorandum is appended.

The truth is that provincial action had placed the Government in an untenable position. Sir Robert Hart's sagacity was never at fault in matters of this kind, and the advice he gave was unquestionably sound. The fact that it was acted upon so promptly in

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order out of chaos, to cancel factors which do not matter, and, finally, to state the issue as something brief and simple. The process, in fact, appears so easy that it may sometimes be difficult to detect the reasoning powers behind the performance. Such powers belonged in an eminent degree to Sir Robert Hart, and in this particular instance when the Government approached him for counsel, he, seeing clearly through the smoke of many watch-fires, asked the simple question: "What rule did the *Tatsu Maru II* break?" He then proceeded to demonstrate that there was nothing whatever to prevent a Japanese steamer from discharging munitions at Macao or in the Colony's waters with the permission of the Portuguese Authorities. And the Peking Authorities, guided by his political sagacity wisely nipped the incident in the bud before it assumed dangerous dimensions, which would unquestionably have seriously embarrassed the Chinese Government of the day. Two interesting developments of this case were the outbreak of the first widespread boycott of Japanese goods and the revival of the question of the Macao boundaries. In the settlement of this latter issue the Portuguese authorities, relying on an old-time treaty, invoked the aid of the British Government. In the end, the matter was referred to a commission which met at Hongkong, but which came to no definite conclusion. (*Vide* King, P.: "In the Chinese Customs Service," London, 1924, pp. 202-209; Teichman, Sir Eric: "Affairs of China," London, 1938, p. 80; "The Times," London, 2nd, 4th, 6th, 7th, 9th, 10th, 11th, 14th, 16th, and 17th March 1908.)

\* *Antea*, vol. ii, p. 604.

spite of great pressure from the province is proof, I think, that the Government had already made up its mind about the necessity of giving way, but desired in this unwelcome proceeding to be fortified by the authoritative opinion of one who had spent a lifetime in extricating China from similarly untenable positions.

Sir Robert Hart's Memorandum is not without value to the present generation, but my main object in writing this Circular will be attained if I succeed in showing that, so far from abandoning a case which was never entrusted to the Customs, Sir Robert Hart's last official act was perfectly consistent with his whole career.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

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ENCLOSURE.

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MEMORANDUM: *TATSU MARU* CASE.

1. Vessel was not seized by Customs.
2. Lappa Customs do not touch foreign-flag vessels entering or leaving Macao.
3. Seizure was made by territorial authorities.
4. Vessels under foreign flags are not allowed to go to non-treaty ports unless in distress.
5. Foreign vessels must pass through Chinese waters, and, doing so, may have to anchor for tide or weather or other causes.
6. Chinese authorities have the right to board any vessel at anchor and ascertain what she is doing.
7. But, in doing so, they must recognise facts.
8. And, off Macao, a foreign port, it is a fact that vessels reporting and clearing often do anchor outside, and any official boarding them there and then must allow they are of necessity and legitimately at anchor.
9. Besides, the foreign status of Macao makes the sea in front open sea and not Chinese waters.

10. As regards the *Tatsu Maru*, she had cargo for Macao, and, no matter how carried from ship to shore, flag and destination protected it, and the Lappa Customs could not touch it, whatever its nature, between ship and shore.
11. As to cargo being arms, etc., that is not disputed: it is allowed, and it is pointed out that Macao only allows licensed traders to deal in arms and so prevents irregularities.
12. The fact of anchoring was not a sufficient cause for suspecting or visiting or seizing, nor did the fact of arms being on board—legitimate cargo—give Chinese right to touch vessel or cargo.
13. Whatever suspicions may exist about arms dealing in the South and at Macao, such suspicions do not protect Chinese action where a vessel and cargo are as the present case shows them to be—off a foreign port, about to discharge in accordance with that port's laws, and with police protection to secure conformity to law.
14. The Japanese regard the action taken as unjustifiable, and, as far as known, facts and circumstances uphold that objection.
15. As to joint inquiry, that is only possible if both parties agree: the Japanese refuse.
16. Joint inquiry would not change the facts as far as known, and these facts do not justify either seizure or detention.
17. Having thus got both law and fact on their side, the Japanese will naturally claim return of vessel and probably compensation of detention, and, as there was a "hauling down flag" incident, the situation is aggravated.
18. The Wai-wu Pu had better arrange with Japanese Legation in a friendly way how to act at this date. If done in a friendly way, and owning that a mistake was made, there will be no loss of face in either returning the vessel, saluting flag, or compensating owners. And the easiest and cheapest way out of the difficulty is to take this course at once.

R. H.

28.2.08.

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## CIRCULAR No. 3601 (SECOND SERIES).

**Chienhsi: method of determining Service careers of, modified; marks obtained in quarterly examinations to be reported to Peking; instructions *re* Confidential Reports of.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 17th March 1925.

SIR,

1.—With reference to Circular No. 2228:\*

Customs College, Peking: students graduated from;  
instructions *re* employment of, etc.:

I have now to inform you that after consultation with the Ministers of the Shui-wu Ch'u, it has been decided to modify the method of determining the Service careers of Chienhsi, as notified in the Circular above quoted. The difference between the salary of *Hk.Tls.* 100 a month of the men selected for Assistants and of *Hk.Tls.* 55 a month of those—in many cases not greatly inferior—who only qualify for the rank of 3rd Clerk, C, is too great, and tends to discourage the latter. In future, therefore, upon the conclusion and as the result of the Inspectorate examination, Chienhsi who have completed one year's service in a port will be graded according to merit either as 4th Assistants, B, 3rd Clerks, B, or 3rd Clerks, C, with pay at the rate of *Hk.Tls.* 100, *Hk.Tls.* 70, or *Hk.Tls.* 55 a month respectively. A copy of Shui-wu Ch'u despatch No. 234 on the subject is appended for your information.

2.—In the list of Chinese In-door Staff promotions announced in Special Gazette No. 335 it will be seen that all the present 3rd Clerks, C, who have passed through the Customs College have been promoted to 3rd Clerks, B, irrespective of their length of service as Clerks. To this extent, and in order that deserving men shall not be penalised, the new procedure has retrospective effect. I wish, however, to make it quite clear that the more favourable treatment now accorded is not to be taken to imply that men will automatically and without good reason pass from Chienhsi to 3rd Clerks, B. The merits of Chienhsi are most carefully weighed at the Inspectorate, and the fullest consideration is given to their careers at the Customs College and during their year of probation at their ports, and, finally, to the detailed results of the Inspectorate

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\* *Antea*, vol. iii, p. 189.

examination. Men who are considered inferior in point of education or in any other respect will, as heretofore, be placed in the rank of 3rd Clerk, C.

3.—The Inspectorate examination has proved of great value in supplementing and confirming the information derived from the Commissioners' quarterly reports, and in helping me to arrive at a more precise estimate of the qualifications of Chienhsi. But I wish for still more systematic information, and have now to ask Commissioners to enhance the usefulness of their reports by the inclusion therein of a record of the marks obtained at each quarterly examination. The latter should be solely in Customs work, and not in the other subjects in the syllabus of the Inspectorate examination. For the sake of uniformity each quarterly examination should be on a basis of a maximum of 250 marks obtainable, and reports should state clearly the number obtained by each Chienhsi. This new procedure is to come into force from the date of receipt of this Circular.

4.—Finally, I have to ask Commissioners to take a close personal interest in Chienhsi and to make an attempt to form an accurate estimate of their character and personality as well as their usefulness in the office: and in the annual Confidential Report on each man to record definitely their recommendations regarding his classification in one of the three classes as above defined.

I am, etc.,

F. A. AGLLEN,  
*Inspector General.*

## ENCLOSURE.

稅務處令第二三四號 中華民國十四年三月九日

據總稅務司呈稱案查位置稅務學校畢業生辦法曾於民國三年奉飭准將該校畢業生於見習一年期滿後擇其優者酌升數人爲四等丙班幫辦月薪關平銀八十兩其程度不足擢升幫辦或幫辦缺滿無法升補者卽改編爲三等丙班供事月支關平銀五十兩歷經照此辦理在案惟查民國十一年間總稅務司對於華班幫辦及供事等薪水等級曾經酌量改訂將四等丙班幫辦一級取消而以四等後班爲幫辦之最低級月支薪水關平銀一百兩至供事則係將三等丙班之薪水由五十兩改爲五十五兩職是之故所有稅務學校畢業生於派赴海關見習一年期滿之後如按照現行位置辦法係應將其成績優良者擢升數人爲四等後班幫辦月支薪水關平銀一百兩其程度不足擢升幫辦或幫辦缺滿無法升補者卽編爲三等丙班供事月支關平銀五十五兩竊查此兩項人員之最低級薪水一爲關平銀一百兩一爲關平銀五十五兩其間相差之數既屬如是之鉅且每屆該校畢業生於在關見習一年期滿時常有因幫辦缺額較少之故致編入供事之人員其成績頗有與擢升幫辦各員無甚軒輊者似此自不免此等編列三等丙班之供事極感失意總稅務司現爲公平調劑起見擬請訂明嗣後對於該校畢業生見習一年期滿後應卽按其成績酌分三等任用卽係（一）擇其成績最優之見習員數人升爲四等後班幫辦月支薪水關平銀一百兩（二）程度稍次或以幫辦缺滿無法升補者可升爲三等中班供事月支薪水關平銀七十兩（三）程度不足擢升幫辦者概行編爲三等後班供事月支薪水關平銀五十五兩此項修正辦法如蒙核准擬請指令過署以憑轉飭各關稅務司遵辦等情到處查前項修正位置稅務學校畢業生辦法尙屬妥協自可照准相應令行總稅務司查照轉令各關稅務司遵照辦理可也此令

## CIRCULAR No. 3617 (SECOND SERIES).

Upper Yangtze Navigation Regulations: certain additions to,  
concerning special signals for motor vessels, notified.

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 6th May 1925.

SIR,

With reference to Circular No. 2842:\*

Upper Yangtze Navigation Regulations: approved by  
Chinese Government and foreign Ministers: regula-  
tions notified:

and to Circular No. 3320:†

Notifying certain additions approved for incorporation in  
these Regulations:

I now circulate, for your information and guidance, copy of I.G.  
despatch No. 97 to the Shui-wu Ch'u and Shui-wu Ch'u despatch  
No. 334 in reply, in regard to certain additions to and modifications  
in these Regulations concerning special signals for motor vessels  
plying on the Upper Yangtze, which have been approved by the  
Chinese Government and the Diplomatic Body.

I am, etc.,

J. W. STEPHENSON,‡

*Officiating Inspector General, ad interim.*

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\* *Antea*, vol. iii, p. 461.

† *Antea*, vol. iii, p. 668.

‡ Joseph William Stephenson was born on the 20th September 1874 at Belfast, Northern Ireland, and joined the Customs Service on the 27th March 1899 as 4th Assistant, B. After a few months at Foochow he was transferred to Nanking to study Chinese, where he remained for a year before being moved on to Shanghai. From August 1901 to the end of April 1906 he was stationed at Ichang, and this was followed by a six months' stay at Chungking. On return from long leave he was at Tientsin for two years, at Kowloon for two and a half years, and at Tengyueh as Assistant-in-Charge for over two and a half years. He was then moved to the London Office where, with the exception of six months' service in the British Army, he remained from June 1916 to June 1920. He was promoted Deputy Commissioner in October that year while stationed at Shanghai, and in the following year was transferred to the Inspectorate at Peking, where he filled the posts first of Revenue Chief Accountant and then of Personal Secretary to the Inspector General. In April 1922 he was promoted Commissioner, and after officiating for over two years as Chief Secretary was appointed in March 1925 Officiating Inspector General *ad interim*. On Sir Francis Aglen's return to duty in November 1925 Mr. Stephenson held the post of Chief Secretary till April 1926. On the expiry of his leave in October 1926 he was appointed Non-Resident Secretary in the London Office, a post which he held till the 31st January 1931 when he returned to China and was appointed as Commissioner in charge of Kowloon, where he remained till October 1931. After a period of six months' leave he retired on the 26th March 1932. He was subsequently, on the 21st April 1933, reappointed Non-Resident Secretary (Commissioner, retired), and held this post till his death on the 1st November 1933. Mr. Stephenson held the Order of the Chia Ho, 4th, 3rd, and 2nd Classes.



## ENCLOSURE No. 1.

總稅務司呈 稅務處陽字第九七號 中華民國十四年三月二十三日

呈爲長江上游巡江工司擬在川江行船免碰章程內增訂管理電船條款應請

鑒核照准事案據重慶關稅務司呈稱據長江上游巡江工司報告內稱現在行駛川江之船隻內有電船一項均於船上安有煙筒以爲排洩油煙之用其形式幾與輪船無甚分別按輪船行駛川江依照川江行船免碰章程之規定必須施放汽號以表明本船行駛之方針惟因施放汽號時由峽中發出之反響甚多在其他船隻方面極易爲其混淆致莫辨所放汽號係爲幾聲故各船欲明晰輪船所放汽號係表示如何之動作不僅恃聞其聲並須注意該船出汽幾次以期準確至電船一項因船上未設蒸汽鍋祇用壓氣機施放響號實屬無汽可見是以各項船隻每遇電船施放響號時即不免感受困難巡江工司有鑒於此竊思爲易於分別輪電各船起見應令行駛川江之電船在桅頂懸掛或永久裝置一長三英尺直徑一英尺之黑甬並於對他船表示動作時除施放響號以外尙須持紅旗一面在船前平臺搖擺以資明晰等情竊查該巡江工司對於電船所擬管理辦法稅務司甚表贊同並經咨准駐渝領事團同意暫行試辦現在領事團業將此案轉呈北京外交部請予正式承認施行去訖據稅務司之意此項管理電船新章似可列入川江行船免碰章程

請閱總稅務司第二八四二及第三三二〇兩號通令

第十六條之次作爲第十六條甲俾將電船納入該章程管轄之內再此條如蒙核准則該章程之第二十條尙應酌加修改茲將所擬增修各條款英文原稿照錄一分

呈請鑒核示遵等情前來總稅務司查前項新擬管理電船章程甚屬妥適且既經駐渝領事團同意試辦並呈明駐京外交團請予正式承認以憑將洋商電船歸入該章程管轄之內是以擬請

鈞處即按該巡江工司所擬各節明令核准俾便遵照辦理接據前情合將所擬增修關於管理電船各條款原稿

譯錄

英文各

漢文各一分備文呈請

鑒核示復以憑轉令遵照可也謹呈

稅務處令第三三四號

中華民國十四年三月二十八日

據總稅務司陽字第九七號呈稱長江上游巡江工司擬在川江行船免碰章程內增訂管理電船條款應請鑒核照准等情並將所擬增修管理電船各條款原稿譯錄

英文各

漢文各一份附送前來查川江行船免碰章程暨川江行船

章程內續增限制輪船行駛速率及民船裝載貨物等辦法前經本處於民國七年九月間及十一年六月間先後分咨外交交通兩部暨湖北四川兩省長查照並令行江漢宜昌重慶等關監督暨總稅務司遵照各在案此次總稅務司轉據長江上游巡江工司所擬在川江行船免碰章程內增訂管理電船各條款自係爲慎防航行危險起見既經駐渝領事團之贊同並由領事團呈明駐京外交團請予正式承認本處自可准予照辦除咨行外交交通兩部暨湖北四川兩省長查照並令行江漢宜昌重慶等關監督遵照外相應令行代理總稅務司查照轉令各該關稅務司遵照可也此令

## ENCLOSURE No. 2.

## UPPER YANGTZE NAVIGATION REGULATIONS.

## 關於電船各條

*Rules for Motor-driven Vessels.*

|                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |         |                  |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------|------------------|
| 之<br>各<br>項<br>章<br>程 | 用<br>管<br>理<br>輪<br>船 | 事<br>務<br>均<br>須<br>適 | 理<br>電<br>船<br>一<br>切 | 別<br>至<br>此<br>外<br>管 | 黑<br>甬<br>以<br>示<br>區 | 徑<br>一<br>英<br>尺<br>之 | 長<br>三<br>英<br>尺<br>直 | 永<br>久<br>裝<br>置<br>一 | 桅<br>頂<br>懸<br>挂<br>或 | 凡<br>電<br>船<br>應<br>於 | 於<br>分<br>別<br>起<br>見 | 船<br>與<br>電<br>船<br>易 | (甲) 爲使輪 | 第<br>十<br>六<br>條 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------|------------------|

*Rule 16 (a).*—Motor vessels, in order that they may be distinguished readily from steam vessels, shall carry at mast-head, either hoisted or permanently fixed, a black cylinder 3 feet in length and 1 foot in diameter. In all other respects they shall be bound by all such rules and regulations as apply to steamers.

|        |             |             |             |             |             |             |             |
|--------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 如<br>下 | 隻<br>之<br>法 | 上<br>水<br>船 | 其<br>知<br>會 | 船<br>隻<br>時 | 見<br>上<br>水 | 電<br>船<br>遇 | 再<br>下<br>水 |
|--------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|

Moreover, a down-bound motor vessel shall, when meeting an up-bound vessel, supplement the usual whistle signals by flag-waving, thus:

|                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 過<br>後<br>爲<br>止 | 水<br>船<br>隻<br>經 | 紅<br>旗<br>至<br>上 | 右<br>邊<br>搖<br>擺 | 船<br>前<br>平<br>臺 | 行<br>外<br>應<br>於 | 口<br>右<br>邊<br>駛 | 本<br>船<br>沿<br>漕 | 聲<br>以<br>表<br>示 | 短<br>響<br>號<br>一 | 除<br>照<br>常<br>放 |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

In addition to one short blast meaning: "I am keeping to that side of the channel which lies on my starboard hand," a red flag shall be waved on the starboard side of the bridge until the meeting vessel has passed.

|                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 過<br>後<br>爲<br>止 | 水<br>船<br>隻<br>經 | 紅<br>旗<br>至<br>上 | 左<br>邊<br>搖<br>擺 | 船<br>前<br>平<br>臺 | 行<br>外<br>應<br>於 | 口<br>左<br>邊<br>駛 | 本<br>船<br>沿<br>漕 | 聲<br>以<br>表<br>示 | 短<br>響<br>號<br>二 | 除<br>照<br>常<br>放 |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

In addition to two short blasts meaning: "I am keeping to that side of the channel which lies on my port hand," a red flag shall be waved on the port side of the bridge until the meeting vessel has passed.

旗 法 應 外 響 放 照 除 電 如 汽 放 照 應 輪 如 船 上  
搖 如 並 號 短 回 遵 船 係 號 短 回 遵 船 係 隻 水

The up-bound steamer shall repeat the signal by whistle in the case of steam, and by whistle and flag in the case of motor, vessels.

*Changes in wording of Section 20.*

|   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 旗 | 邊 | 前 | 外 | 響 | 船 | 號 | 船 | 改 | 號 | 「 |   | 第 |
| 「 | 加 | 平 | 並 | 號 | 除 | 一 | 放 | 為 | 一 | 放 | 第 | 二 |
|   | 搖 | 臺 | 於 | 一 | 放 | 聲 | 短 | 「 | 聲 | 短 | 一 | 十 |
|   | 紅 | 右 | 船 | 聲 | 短 | 電 | 汽 | 輪 | 「 | 汽 | 項 | 條 |

*Line 1*: Change the words "One short blast means" to "One short blast, accompanied in the case of motor vessels by the waving of a red flag from the starboard side of the bridge, means."

|   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 旗 | 邊 | 前 | 外 | 響 | 船 | 號 | 船 | 改 | 號 | 「 |   | 第 |
| 「 | 加 | 平 | 並 | 號 | 除 | 二 | 放 | 為 | 二 | 放 | 第 |   |
|   | 搖 | 臺 | 於 | 二 | 放 | 聲 | 短 | 「 | 聲 | 短 | 二 |   |
|   | 紅 | 左 | 船 | 聲 | 短 | 電 | 汽 | 輪 | 「 | 汽 | 項 |   |

*Line 4*: Change the words "Two short blasts mean" to "Two short blasts, accompanied in the case of motor vessels by the waving of a red flag from the port side of the bridge, mean."

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CIRCULAR No. 3659 (SECOND SERIES).

**Inspector General: Sir Francis Aglen, Inspector General, resumes charge of Customs Service; Inspector General's appreciation of conduct of Staff during period of unusual stress and difficulty.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 16th November 1925.

SIR,

With reference to Circular No. 3604:

Inspector General: Sir Francis Aglen hands over temporary charge of Customs Service to Mr. J. W. Stephenson, appointed Officiating Inspector General, *ad interim*:

I have to inform you that I have resumed charge of the Service from this date.

I greatly regret that my absence from my post coincided with a period of more than usual stress and difficulty and that I was not here to share with the Service the anxieties of the past summer.\*

I appreciate very highly the manner in which work has been carried on in circumstances which at many places were unusually trying. Credit and thanks are due to all those holding responsible positions and especially to the Commissioners in charge of ports which were the centres of excitement and disturbance. I have learned with the greatest concern of the extreme hardships and serious personal discomfort that have been endured by the Staff—both foreign and Chinese—at many ports, owing to the cutting off of regular food supplies and to the compulsory disappearance of private and official servants. The conduct of those concerned has been worthy of high praise, and I wish to convey to them especially my appreciation of their patience and courage in the most arduous circumstances that prevailed. The wounding of the Canton Commissioner, Mr. Edwardes, by a stray bullet while he was on duty and engaged in measures for the protection of his staff, which necessitated his withdrawal from Canton, was deplorable, but I am glad to find that instances of personal injury to life or limb were rare. To the Chinese Staff, exposed to pressure from which their foreign colleagues are exempt, I wish to express and place on record my appreciation of their steadiness and devotion to duty.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

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\* The anxieties to which the Inspector General here refers were (1) the violent political agitation arising from the Shanghai incident of the 30th May, when several Chinese students were shot by Settlement Police during a street demonstration in support of a labour agitation; (2) the shooting affray at Shameen, Canton, on the 23rd June; (3) the subsequent strikes of seamen and servants throughout the whole southern area of China then under the control of communist influence; and (4) the boycott of Hongkong which began in July 1925 and did not end till October 1926.

## CIRCULAR No. 3661 (SECOND SERIES).

**Staff, Out-door: foreign Tidewaiters and District Local Watchers,  
recruiting of, in China to cease from 1st January 1926; Chinese  
Tidewaiters to receive special training; instructions.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 1st December 1925.

SIR,

The successive increases in the numbers of men trained at the Shanghai Chinese Tidewaiters' School\* have been caused by the necessity for preparing for the gradual replacement of foreign Tidewaiters by Chinese. Within the last three years the number of foreign Tidewaiters has been appreciably reduced, but I wish to see this process accentuated and accelerated. From 1st January 1926, therefore, the general authority granted to certain ports to fill vacancies in their Tidewaiter staff by local recruiting is withdrawn, and the engagement of District Local Watchers is also to cease from the same date. Vacancies will in future, as a general rule, be filled by Chinese Tidewaiters, although an occasional foreign applicant of really superior type, education, and intelligence may be engaged after reference to and approval by myself.

I must impress upon Commissioners that we are entering upon a new epoch, in which foreign Tidewaiters will be more and more replaced by Chinese, and must request them, not merely to prepare for the future by making early plans for the readjustment of their Out-door Staff to meet the new situation, but also to see that their Chinese Tidewaiters are trained for the increasingly responsible duties which they will inevitably be called upon to perform.

Meanwhile, the forthcoming Return of Staff Requirements (form [F.—54])—of which in future only a single copy need be sent—should record the minimum number of foreign Tidewaiters necessary for each port.

I am, etc.,

F. A. AGLLEN,  
*Inspector General.*

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\* *Antea*, vol. iii, pp. 552, 588.

## SEMI-OFFICIAL CIRCULAR No. 51.

**Tariff Conference: Washington Surtaxes: proposed provincial distribution of transit duty and abolition of coast trade duty: probable effects on Customs practice and procedure and on Staff requirements; special report concerning, called for.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 19th May 1926.

SIR,

1.—It seems probable that one of the results of the Tariff Conference,\* which has been sitting here since October last, will be an agreement to put in force at an early date what are known as the Washington Surtaxes,† that is to say, the surtaxes on dutiable imports foreshadowed in Article II of the Treaty between the Nine Powers relating to Chinese Customs Tariff concluded at Washington on 6th February 1922 (Circular No. 3310) and since ratified by all the signatory Powers.

2.—Detailed instructions concerning collection, banking, and disposal of the surtaxes will be issued by Circular in the Official Series when agreement has been reached. Meanwhile, from information in my possession I am led to believe that certain subsidiary questions affecting Customs practice and procedure, as at present established, will be settled, and it is in order to prepare you for what is coming and to obtain your views beforehand, so that changes may be effected with a minimum of dislocation and a maximum of efficiency, that I now address you semi-officially.

3.—I think that agreement will be reached on the following points:—

- (1) Transit dues, hitherto accounted for as Maritime Customs revenue collection at the Central Government's disposal for Loan and Indemnity Service, will be surrendered to the provincial exchequer and distributed to the provinces in a manner to be

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\* For detailed account of the Peking Tariff Conference of 1925-26, *vide* Wright: "China's Struggle for Tariff Autonomy, 1843-1938," chapter vi, pp. 461-600.

† These Washington Surtaxes were afterwards enforced, but not in the way foreshadowed by Sir Francis Aglen. For the method of their enforcement and the results of that enforcement, *vide* Wright, *op. cit.*, pp. 607-623.

determined by the Government. This is a reform which I have been urging for years. It will eliminate competition between two rival administrations for what is essentially the same revenue, and, if the Chinese Government will go one step further and throw open the transit trade without restriction to all goods and all applicants for Passes, there will be a very considerable increase in collection. The collection of provincial revenue by Maritime Customs agency on a large scale cannot but have a very important influence on the relations of the Service with provincial governments, and, rightly used, this should make for Service stability and welfare.

- (2) Coast trade duty will be abolished. Revenue requirements do not make it possible at present to do away with duties on all interport trade, and export duties will continue to be collected, no matter whether goods are exported abroad or not.

4.—The mere collection, banking, and distribution of the surtaxes will not, in my estimation, give much trouble. We have famine surtax precedents and experience to guide. I therefore do not look for any considerable increase of work necessitating increase of staff in this connexion. Transit trade may develop on a large scale, and it is here that present practice, accommodation, and staff will have to be overhauled. The number of employees to be set free for other duties by the abolition of coast trade duty collection would not appear from the replies to S/O Circular No. 37 to be very great, but it was hinted that this number would be increased by extension of the duplicate application system. Circular No. 3686 authorises the extension of that system to all interport movements of cargo, and I trust that by some well thought out procedure I shall be able to obtain the staff required to cope with transit trade without, on the one hand, adding to pay lists or, on the other hand, finding it necessary to discharge employees who have hitherto been mainly occupied in writing Cargo Certificates and keeping records for the issue of coast trade duty drawbacks. The bulk of the goods paying export duty goes abroad, and in the case of the principal staples there is very little danger of fraud by substitution. Many more ports now engage in direct trade with foreign countries, and where goods—chiefly from up-river ports—are re-exported, it should be possible for those ports, in co-operation with Shanghai, to devise a system of export duty proofs which will reduce record-keeping to a minimum.



I have to request Commissioners to think over these questions and to let me have their views in memorandum form, submitted under cover of a semi-official letter, as soon as possible.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

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CIRCULAR No. 3685 (SECOND SERIES).

**Inland Waters Steam Navigation Rules and Yangtze Regulations:  
principles governing issue of Inland Waters Steam Navigation  
Certificates and River Passes to vessels trading on  
Yangtze defined.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 18th May 1926.

SIR,

1.—There has been some misunderstanding of the position created by the practice of the Shanghai and Chinkiang Customs of clearing vessels under Inland Waters Certificates for inland places on the Yangtze above Chinkiang, and I therefore think it desirable to state the fundamental principles underlying the Yangtze Regulations and the modifications in procedure necessitated by the subsequent enactment of the Inland Waters Regulations which govern vessels engaged in this trade.

2.—The revision of the Yangtze Regulations was taken up in January 1898 (Circular No. 813), and the Regulations as revised were promulgated in December 1898 (Circular No. 868).<sup>\*</sup> Inland Waters Regulations were promulgated in April of the same year (Circular No. 824). The latter supplemented, they did not supersede, the Yangtze Regulations, which remained in force, but

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<sup>\*</sup> *Antea*, vol. ii, pp. 159–173.

they necessarily modified some of the prohibitions of the Yangtze Regulations—notably the rule which only permits trade at certain treaty ports and ports of call on the river.

3.—The principle of the Yangtze Regulations is that Chinkiang is the gate to the river. Vessels may trade under General Regulations freely to Chinkiang without taking out a Pass—"Special" or "River." But they may not trade above Chinkiang without a Pass. The power of issuing Passes has been given to Shanghai (Woosung) and Chinkiang only: in other words, Shanghai has been given a key to the Chinkiang gate. These two ports therefore enjoy powers which have not been conferred on other coast or river ports.

4.—The Inland Waters Regulations threw open inland places on the Yangtze to trade, but it was laid down from the outset that a vessel cannot trade under two sets of regulations at the same time. If she elects to trade under Pass, "River" or "Special," she must not go to inland places. If she elects to trade under Inland Waters Certificate, she must comply with Inland Waters Regulations and submit to much the same treatment as a junk. But Chinkiang still remains the gate to the Yangtze, and that gate can only be opened by the two ports which hold the key—Chinkiang and Shanghai,—and whether that key is the Pass or the Inland Waters Certificate is immaterial, provided that in this connexion it is only used by Chinkiang or Shanghai.

5.—Putting Shanghai on one side for the moment and considering only the case of Chinkiang, a vessel which wishes to trade to inland places on the Yangtze above Chinkiang would in ordinary cases clear under General Regulations to Chinkiang and would there deposit her papers and take out Inland Waters Certificate. In this case Chinkiang would not issue a Pass, which would be unnecessary: the Inland Waters Certificate, *issued by Chinkiang*, or (in the case of a Certificate issued at another port) *endorsed by Chinkiang*, takes the place of the Pass. Seeing, however, that Shanghai has been given the power of issuing Yangtze Passes, it follows that what Chinkiang may do may legitimately be done by Shanghai, but not by any other coast port. Thus, while vessels in possession of Inland Waters Certificates may be cleared from coast ports to the Yangtze as far as Chinkiang, they may not proceed above Chinkiang without, on the one hand, taking out a Pass, or, on the other hand, presenting their Inland Waters Certificate for endorsement. But just as Shanghai may clear vessels under Pass for Yangtze treaty ports, so Shanghai may clear vessels for Yangtze inland places above Chinkiang under Inland Waters Certificate

taken out or endorsed at Shanghai. No other port, however, may do this. If a vessel ships coal at Tientsin for an inland place on the Yangtze above Chinkiang, she can do one or other of the following things:—

- (1) She can clear to Shanghai or Chinkiang under General Regulations and at either of these ports she can take out a Special River Pass, which will enable her to proceed direct to the Yangtze treaty port nearest to the inland place where she wants to trade. At that treaty port she can surrender her Pass and take out Inland Waters Certificate.
- (2) She can clear to Chinkiang under Inland Waters Regulations, provided she trades at inland places *en route* (Circular No. 3489), and at Chinkiang she can present her Inland Waters Certificate for endorsement and proceed to her inland waters destination.
- (3) She can clear to Shanghai as above (2) and she can be re-cleared to her Yangtze inland destination after endorsement of her Inland Waters Certificate.

But she cannot clear direct from Tientsin to a Yangtze destination above Chinkiang, no matter whether that destination is treaty port or inland place.

6.—Shanghai is exceptionally treated because Shanghai has special powers in relation with Yangtze trade, but there is no absurdity in this treatment. On the contrary, it is a strictly logical outcome of the Inland Waters Regulations.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

## CIRCULAR No. 3687 (SECOND SERIES).

**Harbour and anchorage limits: principles to be observed in regard to extension of; I.G.'s instructions.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 22nd May 1926.

SIR,

In Circular No. 1955 I laid down the principles which should govern action when requests for extension of anchorage limits come forward at the ports, but I find it necessary to refer to this question as it still does not seem to be understood.

Chinese harbours are Chinese territory,\* and China has never parted with her territorial rights over all water surface comprised within port or harbour limits. It follows that the right to fix anchorage limits belongs to China, and when increase of trade calls for extension of those limits it is the Chinese Government's authority alone that is required. Here China acts unilaterally and her right to do so is expressly recorded in Rule 6 of the Rules of Trade appended to the British Treaty of Tientsin (1858), which reads as follows:—

“The limits of the port shall be defined by the Customs, with all consideration for the convenience of trade, compatible with due protection of the Revenue; also the limits of the anchorages within which lading and discharging is permitted by the Customs; and the same shall be notified to the Consuls for public information.”

It is therefore quite wrong to submit questions of extension of harbour or anchorage limits to the Consular Body for sanction, and for approval by the Diplomatic Body, and I have to request you to be careful to see that this is never done.

The Superintendent, having no longer territorial jurisdiction in most cases, will doubtless wish to refer such questions to higher authority, and they are of course invariably to be submitted to me for approval before any action is taken or any notification is issued.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

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\* *Vide* footnote to I.G. Cir. No. 640, *antea*, vol. ii, p. 17.

## CIRCULAR No. 3697 (SECOND SERIES).

Customs allowance: increased grant from 1st July 1926 notified;  
revised port allowances to be appropriated monthly  
from revenue; instructions.

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 2nd July 1926.

SIR,

With reference to Circular No. 2997:\*

Customs allowance: increased grant from 1st January 1920  
notified; all ports placed on office allowances to be  
drawn monthly from revenue:

I now circulate copy of Shui-wu Ch'u despatch No. 524, from which you will see that it has been necessary for the Inspector General again to request the Chinese Government for an increase of the funds required for the maintenance of the Revenue Department of the Customs, and that the Government has been pleased to accede to the request.

During the past six and a half years the cost of administering the Service has been continually increasing, and for some years now the office allowance has fallen short of Account *A* expenditure, with the result that balances in Accounts *B* and *D* have been largely depleted to make good the deficit in Account *A*. Had it been possible, however, to continue to finance Account *A* in this way by the use of *B* and *D* moneys, rather than apply to the Government at this time, when the financial situation is so critical, the Inspector General would have deferred his request until a more opportune time. Unfortunately, the balances in Accounts *B* and *D* were unequal to the task of meeting the constantly increasing expenditure in Account *A*, so that he had no option but to apply for an increased allowance from revenue. This increased allowance, as stated above, has now been granted, to date as from 1st July 1926.

It is again necessary to remind Commissioners that all possible economy in the expenditure of Service moneys must be exercised. The increased grant which has now been received does not provide for, and will not suffice to cover, any general increase of expenditure at the ports. I must, in consequence, enjoin upon all the urgent necessity for a strict control of local expenditure.

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\* *Antea*, vol. iii, p. 515.

In Enclosure No. 2 will be found the amount of the revised annual allowance allocated to each port, with the amount to be appropriated monthly, and I wish to impress upon Commissioners and those in charge of ports that available balances should not be retained in ports' accounts but remitted to the Inspector General's Service Account either before or immediately after the close of each quarter. Each month's quota of the office allowance is to be appropriated as far as possible from the local foreign revenue monthly, on the authority of this Circular. For those ports where the revenue collection is known to be insufficient at present for this purpose, special arrangements are being made; at other ports where the revenue may from time to time fall short of requirements, early application should be made to enable the Inspectorate to issue the quota required from the Inspector General's Revenue Account before the end of the quarter.

I am, etc.,

A. H. F. EDWARDES,\*

*Officiating Inspector General, ad interim.*

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\* Arthur Henry Francis Edwardes was born on the 8th February 1885 at London. After education at Haileybury he joined the Customs Service in October 1903 as 4th Assistant, C. Before being promoted Deputy Commissioner in 1921 he served at Swatow, Tientsin, Peking (three times), Amoy, Shanghai (twice), Shasi, Hankow, Kowloon, and Newchwang. From March 1922 to October 1923 he was Deputy Commissioner in charge first of the Appraising Department and subsequently of the General Office at Shanghai, after which he acted for 10 months as Personal Secretary to the Inspector General at Peking. From there in September 1924 he proceeded to Canton as Commissioner in charge, and while there was accidentally wounded in the knee during the Shameen shooting affray of June 1925. On return from leave in November of that year he served for a few months as Personal Secretary, then as Chief Secretary, and as Officiating Inspector General for four months during Sir Francis Aglen's absence on leave, 25th June to 10th November 1926. On Sir Francis Aglen's withdrawal from the Service on the 10th February 1927 he was appointed Officiating Inspector General by Presidential Mandate, an appointment which was subsequently—on the 3rd October 1928—confirmed by the National Government at Nanking. Mr. Edwardes resigned his appointment on the 9th January 1929, and received the equivalent of a pension from the Chinese Government. He subsequently accepted a post as adviser to the Board of Foreign Affairs of "Manchukuo."

## ENCLOSURE No. 1.

稅務處令第五二四號 中華民國十五年六月三十日

案查前據總稅務司致字第一六一號來呈以現由稅收項下提撥海關經費之款每年計共爲關平銀五百七十六萬七千九百六十兩三錢九分惟按海關實用之數則屬逐年增加考其增加之原因厥維薪俸一項約增百分之二十一強在此兩年中屢據關員要求增加薪水現由經費項下支給華員之薪俸雖實較民國九年爲多但如以目前生活程度繼續增高之情形衡之仍不能不承認現行薪俸增加之度不及生活程度所漲之高又近因郵務局之華員加增薪俸不少所以總稅務司對於海關華員無可如何已將華員薪俸等級表從新編訂就緒應即立予實行即此一項每年即應增加經費關平銀八十五萬兩查現在奉准由稅收項下提出之經費每年爲關平銀五百八十萬兩如蒙准如所擬增至關平銀八百四十萬兩即須增加關平銀二百六十萬兩惟總稅務司仍甚希望可將罰款及另款兩項帳內之餘款完全撥用得由現在每年撥入經費之關平銀三十萬兩增至關平銀七十萬兩按此則應在前項增加關平銀二百六十萬兩內扣除關平銀七十萬兩是每年須由稅收項下加撥之數僅爲關平銀一百九十萬兩甚盼勿得謂爲過鉅抑尙有一項事宜亦爲請加經費原因之一即係爲應付貿易之擴充且使海關得有專門技

術之驗估人員起見所有新設之驗估處業經逐漸發展其經費亦逐漸加增至海關在各口兼管之防疫暨檢驗護照並修濬河道改良航行又海關對於庚子賠款暨內外各公債並教育使領經費以及不時協助政府辦理撥款等項職務多未支領何項特別經費是以切懇核准即將海關經費即本年七月一日起由稅收項下每月加撥關平銀十五萬八千三百三十三兩三錢三分等因並附<sup>預決</sup>算總分各表二件到處本處當查總稅務司所稱各節均屬實在情形近年生活程度日高關員薪俸自不能不酌予增加而華員一部分既有郵務局華員增加薪俸爲比例尤不能不一律辦理俾免向隅擬請即予核准自本年七月一日起由稅收項下每月加撥海關經費關平銀十五萬八千三百三十三兩三錢三分每年合計一百九十萬兩並由罰款另款兩項帳內之餘款撥用關平銀七十萬兩共成爲每年海關經費關平銀八百四十萬兩以資應用等語並照錄原呈附表咨行財政部查照核復去訖茲准財政部咨復稱查此案既據總稅司瀝陳各項應辦事宜暨華洋人員應加薪俸原定經費實有不敷經費處核轉認爲均屬實在情形本部擬即照准惟海關經費爲我國各種行政費項下大部份之支出在本部與貴處爲鄭重稅款起見遇有應行查詢考核及改良造報之處均須隨時由部處行商飭令總稅務司遵照辦理以重計政應咨復查照轉令遵照等因前來本處復查此事既准財政部核復前因應即照行相應令行代理總稅務司查照辦理可也此令



## ENCLOSURE No. 2.

LIST OF PORT ANNUAL ALLOWANCES, WITH  
AMOUNTS TO BE APPROPRIATED MONTHLY  
FROM REVENUE.

| PORT.                     | ANNUALLY.      | MONTHLY.       |
|---------------------------|----------------|----------------|
|                           | <i>Hk.Tls.</i> | <i>Hk.Tls.</i> |
| Aigun .....               | 60,000.00      | 5,000.00       |
| Harbin and District ..... | 327,000.00     | 27,250.00      |
| Lungchingsun .....        | 69,000.00      | 5,750.00       |
| Hunchun .....             |                |                |
| Antung .....              | 177,000.00     | 14,750.00      |
| Tatungkow .....           |                |                |
| Dairen .....              | 216,000.00     | 18,000.00      |
| Moukden .....             | 48,000.00      | 4,000.00       |
| Newchwang .....           | 102,000.00     | 8,500.00       |
| Chinwangtao .....         | 33,000.00      | 2,750.00       |
| Tientsin .....            | 336,000.00     | 28,000.00      |
| Lungkow .....             | 24,000.00      | 2,000.00       |
| Chefoo .....              | 123,000.00     | 10,250.00      |
| Kiaochow .....            | 234,000.00     | 19,500.00      |
| Chungking .....           | 96,000.00      | 8,000.00       |
| Wanhsien .....            | 27,000.00      | 2,250.00       |
| Ichang .....              | 66,000.00      | 5,500.00       |
| Shasi .....               | 36,000.00      | 3,000.00       |
| Changsha .....            | 75,000.00      | 6,250.00       |
| Yochow .....              | 45,000.00      | 3,750.00       |
| Hankow .....              | 321,000.00     | 26,750.00      |
| Kiukiang .....            | 108,000.00     | 9,000.00       |
| Wuhu .....                | 99,000.00      | 8,250.00       |
| Nanking .....             | 126,000.00     | 10,500.00      |
| Pukow .....               |                |                |
| Chinkiang .....           | 105,000.00     | 8,750.00       |
| Shanghai .....            | 1,800,000.00   | 150,000.00     |
| Soochow .....             | 54,000.00      | 4,500.00       |
| Hangchow .....            | 63,000.00      | 5,250.00       |
| Kashing .....             |                |                |
| Ningpo .....              | 90,000.00      | 7,500.00       |
| Wenchow .....             | 39,000.00      | 3,250.00       |
| Santuaio .....            | 33,000.00      | 2,750.00       |
| Foochow .....             | 132,000.00     | 11,000.00      |
| Amoy .....                | 126,000.00     | 10,500.00      |

| PORT.                      | ANNUALLY.      | MONTHLY.       |
|----------------------------|----------------|----------------|
|                            | <i>Hk.Tls.</i> | <i>Hk.Tls.</i> |
| Swatow .....               | 171,000.00     | 14,250.00      |
| Canton .....               | 402,000.00     | 33,500.00      |
| Kowloon .....              | 318,000.00     | 26,500.00      |
| Lappa .....                | 168,000.00     | 14,000.00      |
| Kongmoon .....             | 84,000.00      | 7,000.00       |
| Samshui .....              | 63,000.00      | 5,250.00       |
| Wuchow .....               | 96,000.00      | 8,000.00       |
| Nanning .....              | 33,000.00      | 2,750.00       |
| Kiungchow .....            | 63,000.00      | 5,250.00       |
| Pakhoi .....               | 48,000.00      | 4,000.00       |
| Lungchow .....             | 18,000.00      | 1,500.00       |
| Mengtsz and District ..... | 105,000.00     | 8,750.00       |
| Szemaao .....              | 15,000.00      | 1,250.00       |
| Tengyueh .....             | 45,000.00      | 3,750.00       |

## CIRCULAR No. 3703 (SECOND SERIES).

**Chinese factory products: identification of, when shipped coastwise:  
certain modification in regard to enforcement of new  
ruling may be made in certain cases.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 14th July 1926.

SIR,

With reference to Circular No. 3681:

Chinese factory products: identification at time of export abroad: procedure notified in Circular No. 3528\* to be extended to coastwise shipments; notification to be issued that ruling will become operative on the expiry of three months from the date of receipt of this Circular:

I append copy of correspondence between the Inspectorate and the Hankow Commissioner, from which you will see that, it having been pointed out that the operation of the new ruling on the specified date would bear heavily on the stocks of paraffin candles manufactured by the Standard Oil Company of New York, inasmuch as it would entail the opening, labelling, and repacking of these stocks, which would also be liable to damage from climatic conditions, a procedure has been authorised by which the firm is to comply with the new ruling as far as possible by branding the outer cases with the name of the factory and the brand of the goods, and the goods are then passed for shipment within the time limit of three months laid down, but actual shipment is allowed to take place at any time thereafter within the present year.

Should similar difficulties exist at your port in respect of stocks of candles manufactured by the Standard Oil Company of New York, or other privileged factory in China, the procedure authorised for Hankow may be adopted.

I am, etc.,

A. H. F. EDWARDES,  
*Officiating Inspector General, ad interim.*

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\* *Antea*, vol. iv, p. 30.

ENCLOSURE No. 1.

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*The Hankow Commissioner to the Inspector General.*

No. 8271.

I.G.

HANKOW, 22nd May 1926.

SIR,

1.—With reference to your Circular No. 3681:

Chinese factory products: identification at time of export  
abroad: procedure for, notified in Circular No. 3528,  
to be extended to coastwise shipments:

I have the honour to append, for your consideration, copy of a letter from the Hankow manager of Messrs. The Standard Oil Company of New York. The letter, which is self-explanatory, was addressed to me in connexion with the notification issued in accordance with the instructions contained in the last paragraph of your Circular referred to above.

2.—The introduction of the new procedure will certainly bear hardly on this company. They will apparently have to re-engage part of their disbanded staff, and they will have to open, label, and repack the best part of 60,000 cases of candles (F.P. Circular No. 205) that are very subject to deterioration in the hot weather that has now set in; all this to be done within the time limit of three months, on the expiry of which the new ruling will become applicable.

3.—While realising the danger of creating a precedent that other factories having some repacking to do in order to comply with the new regulations would be only too anxious to take advantage of, the matter of these candles appeals to me as being a very exceptional case, which, to avoid any appearance of unreasonable strictness in applying the rule, I thought should be referred to you. It occurs to me that it might be possible to accept one or other of the two procedures suggested by the firm, namely, (1) to take an inventory of their present stock and allow its gradual exportation within the current year, or (2) to examine and pass the cargo for shipment within the time limit of three months from 14th May, but allow actual shipment to take place at any time thereafter within the present year, provided that the company is instructed, in addition, to comply with the new ruling as far as possible by branding the outer cases with the name of the factory and the brand of the candles.

If an exception is made in favour of these stocks, it will be necessary for this office to keep track of each shipment and make a note on the Cargo Certificates for the information of the port of destination.

I have, etc.,

J. W. H. FERGUSON,\*

*Commissioner.*

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SUB-ENCLOSURE.

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*The Standard Oil Company of New York to the  
Hankow Commissioner.*

HANKOW, May 19th, 1926.

DEAR SIR,

We note with concern Customs Notification No. 234 published in the local newspapers on May 14th, 1926, setting forth the necessity of marking all privileged factory products when exported to coastwise ports. Our firm maintains at Hankow a factory for the manufacture of paraffin candles which are distributed to our various branches along the Yangtze River and southern coast of China. Due to

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\* Jan Willem Helenus Ferguson, son of Jan Helenus Ferguson—Minister for the Netherlands at Peking, 1872-95—was born at Hongkong on the 16th February 1881, and, after education at the Public School of Wageningen, joined the Customs Service on the 22nd September 1898. After a few months at Shanghai he was transferred to Peking to study Chinese. He remained at Peking till the end of 1904 after four years' service as Acting Assistant Postal Secretary. For three months he was stationed at Hankow and was then transferred to Lungchow, where he remained till September 1907. During long leave he graduated as Bachelor of Commerce at the University of Rotterdam, and began his studies for the Doctor of Science degree which he took at the same university in 1925. On return from long leave in June 1910 he was stationed for nine months at Shanghai, when he was transferred to Harbin, at which port he remained till the end of July 1916, having been promoted Deputy Commissioner in June that year. From August 1918 to April 1924 he served in the Statistical Department of the Inspectorate, part of the time as Deputy Commissioner in charge, then as Acting Statistical Secretary, and finally—on promotion to Commissioner's rank in October 1920—as Statistical Secretary. From October 1925 to November 1927 he was in charge of Hankow, after which he was transferred to Canton, where he remained till the 8th April 1929. After some 13 months' leave he was invalided from the Service. He died in the Netherlands in August 1930. Mr. Ferguson held Civil Rank of the 4th Class; the Order of the Chia Ho, 5th, 4th, 3rd, and 2nd Classes; was Officer of the Order of Orange-Nassau, Netherlands; and a Fellow of the Royal Geographical Society, London.

climatic conditions, it is necessary for us to manufacture an entire season's requirements prior to May 1st. These are then shipped in quantities as desired to our various branches. At the present time we have suspended operations and disbanded our factory staff, but have on hand in our storage 55,910 cases of 25 packets each and 7,998 cases of 50 packets each of candles which have already been wrapped and packed in sealed wooden cases. In the normal course of events we would continue shipping these candles out in small lots until the end of the present year.

Under the ruling noted above it would be necessary for us to decase and re-label a considerable part of this stock now lying in our godowns, or else to make all our shipments before the new ruling goes into effect, which would result in uneconomical shipments and storage of these goods, since the majority of our substations have no proper facilities for storing large quantities of candles during the hot weather. We would, therefore, ask that, if possible, the Customs will make an inventory of all candles now on hand in our Hankow storage, which could then be exported at any time within the present year, after which we would arrange to have all new candles packed with labels conforming to regulation No. 234. If this is not possible, we would ask whether an exception could be granted in our favour to the extent of allowing us to pass this cargo for shipment prior to the expiry of the time limit stated in your notification and make shipment at a somewhat later date, still to be within the limits of the present year. Should we be forced to conform with the time limit set forth in the notification, it will result in considerable expense and damage in unpacking and remarking our cases, since the packing seals and wooden cases once opened cannot be used over again to make a safe package for the shipping of this cargo. We might mention that the wooden cases are at the present time stamped "made in China" on the ends of the cases.

May we have your advices at a convenient date.

Yours very truly,

STANDARD OIL COMPANY OF NEW  
YORK, HANKOW.

P. S. HOPKINS,  
*Manager.*

ENCLOSURE No. 2.  

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*The Inspector General to the Hankow Commissioner.*

No. 4754.

Commrs.

Hankow.

No. 107,979.

PEKING, 4th June 1926.

SIR,

With reference to Circular No. 3681:

Chinese factory products: identification at time of export  
abroad: procedure for, notified in Circular No. 3528,  
to be extended to coastwise shipments:

and to your despatch No. 8271:

Forwarding copy of a letter from the Standard Oil Company  
of New York explaining that the introduction of the  
new procedure will bear very hardly on the company  
in regard to their present stock of candles, and putting  
forward two proposals in regard to the matter, stating  
that you consider that the Customs might accept one  
or other of the two procedures suggested by the  
company, provided that the latter is instructed to  
comply with the new ruling as far as possible by  
branding the outer cases with the name of the factory  
and the brand of the candles:

I am directed by the Inspector General to authorise you to adopt  
the second procedure proposed by the company, *i.e.*, the cargo is  
to be examined and passed for shipment within the time limit of  
three months from 14th May 1926, but actual shipment may be  
allowed to take place at any time thereafter within the present year.

I am, etc.,

A. H. F. EDWARDES,

*Chief Secretary.*

## CIRCULAR No. 3709 (SECOND SERIES).

Inland waters steam navigation: "Way Book" system to be adopted at all ports: instructions.

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 4th August 1926.

SIR,

With reference to previous Circulars:

Concerning inland waters steam navigation:

I circulate, for your information and guidance, copy of Shui-wu Ch'u despatch No. 627, from which you will see that, following a suggestion made by the Shanghai Commissioner with a view to obtaining more effective control over inland waters vessels, the Inspector General recommended that the "Way Book" system, already in force at certain ports, should be adopted at all ports in China where these vessels ply. The chief feature of this system is that each inland waters vessel is furnished with a Way Book which must be stamped and dated at each barrier passed *en route*. The vessel has, therefore, to stop at every station at which a junk would be compelled to report and present the Way Book to be sealed and dated; a complete history of the movements of each individual vessel is thus available and the whereabouts of any particular vessel on any given day can, if necessary, be readily ascertained.

The Chiao-t'ung Pu has approved the adoption of this system at all ports but lays down, *inter alia*, that, in the interests of navigation, when plying on routes on which many stations are established, some of which are of comparative unimportance, vessels need not be called upon to report at the latter.

You will observe that the Inspector General suggested that the new procedure should not be made applicable to vessels especially engaged in carrying Government salt, but that the Chiao-t'ung Pu has ruled that no exceptions are to be made and the new procedure is to be applied universally.

A *pro forma*\* of the Way Book to be used is appended, and I have to request Commissioners at those ports where this system is not yet in force to introduce it as soon as possible in consultation with their colleagues at neighbouring ports and with their Super-

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\* Not printed.



intendents, who should be requested to supply a list of all barriers on the various authorised routes with specimens of the chops used at the barrier concerned.

As regards the Chiao-t'ung Pu's ruling that vessels need not be called upon to report at comparatively unimportant stations on certain routes, it will be necessary for the Superintendent, who will presumably act in consultation with the provincial authorities, to decide which stations may be considered to come within this category; but vessels must not be permitted to pass any station without reporting, on the plea of its unimportance, unless previous authority has been given them to do so.

The Statistical Secretary is being instructed to print the Way Books, [C.—108], and ports requiring them should forward a requisition for the necessary quantity to him as soon as possible.

I am, etc.,

A. H. F. EDWARDES,  
*Officiating Inspector General, ad interim.*

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## ENCLOSURE.

稅務處令第六二七號 中華民國十五年七月三十日

案查前准交通部咨以高橋鄉公所向萬元興號租借元興小輪不按執照內指定之航綫竟擅自改駛上海至高橋實屬有違定章當其向海關領取船牌時海關曾否令其呈驗部照何以任其違章致生糾葛應請查照令行總稅務司轉行江海關稅務司查明該輪違章情形嚴重取締以符定章等因當經本處令據總稅務司呈據江海關稅務司呈復稱該元興小輪違章擅自往來上海高橋間係屬事實而本關未曾覺察者實因本關向例凡在本港行駛之小輪非俟其船鈔期滿更換新照時不來關報明故未能早日查出該輪違章改駛惟內港小輪既有此等違章情事本關管理應予從嚴此後擬將粵海關及津海關施行之路簿辦法推行本埠以便稽考而杜弊端嗣復據代理總稅務司易紉士呈稱前項路簿辦法又經令行江海關詳細查明呈復以憑核辦茲據呈復稱查此項路簿辦法其最要者即係凡駛行內地各小輪每船發給路簿一本其簿內每頁印有空白格式以備各小輪沿途經過之各稅所在簿內填註月日加蓋戳印凡有帆船應停候驗之處各小輪均應停輪報明該處稅所呈出路簿聽候填日蓋印如此則每一小輪在奉准之航綫內行駛及經過地點均可一目了然而海關或其他中國官憲亦得據此可靠憑證以考查各小輪往來行駛及某日駛停某處情形惟本關欲將此事辦至如此地步必須先悉各小輪奉准行駛之航綫內究有稅所若干處其稅所均係在何地點名稱若何並所用之戳印係何式樣此項名稱及戳印式樣本

關監督諒可設法調取緣所擬辦法於各稅所均屬有益等情並抄錄路簿式樣一分呈請鑒核前來代理總稅務司查江海關稅務司所陳路簿辦法甚屬妥協如予推行各口一律照辦則嗣後海關對於按照內港行輪章程行駛之船隻自能益加完全取締是以擬請鈞處核准將此辦法令由各口稅務司對按照內港行輪章程行駛之尋常船隻一體施行至於政府核准裝載食鹽之輪船據代理總稅務司之意可毋庸按此辦理如蒙准行應請示復過署並通令各關監督將各小輪行駛航綫內所設稅所名稱地點及所用之戳記式樣設法查明行知各該關稅務司查照備案合將江海關稅務司原具路簿式樣一分附呈查核施行各等情均經本處先後據情咨行交通部查照對於此事意見如何希爲酌復以憑辦理現准交通部咨復稱查路簿辦法取締行駛內港各輪頗爲完善該代理總稅務司請推行於各口海關本部極表贊同應即責成各海關一體照辦惟有應行注意者數項（一）自施行以後倘各輪船不能實力遵守以致發生何項情弊當即隨時分報貴處及本部核辦以資整頓（二）輪船經過各稅所呈出路簿後所有填日蓋印各手續務令經辦人員力求迅速免誤航行（三）凡經過多數稅所之航綫如有不甚重要者似可省略一二處以期簡捷（四）此項路簿凡駛入內港船隻既須一律遵守所有裝載食鹽之輪船似亦未便獨異應將本部意見咨復查照辦理仍希見復以便分飭遵照等因前來查此事既經交通部贊同並擬定施行辦法自應通行照辦以重航務除咨復交通部及分咨財政部查照暨通令各關監督遵照外相應照錄江海關所具路簿式樣令行代理總稅務司轉令各關稅務司一體遵照辦理可也此令附抄件

## CIRCULAR No. 3738 (SECOND SERIES).

**Benevolent Association: Inspector General's observations *re* non-formation of, by Chinese Staff; Commissioners to consult senior members of Chinese Staff and report results.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 16th December 1926.

SIR,

In Circular No. 3524,\* dealing with the formation of the Customs Benevolent Association, I stated that I was earmarking certain funds until such time as a Benevolent Association under the auspices of the Chinese Staff should be formed to which they could be entrusted. Two years and a half have now elapsed and I am disappointed that no movement has yet been set on foot in the direction indicated. The funds at my disposal now amount to *Hk.Tls.* 17,444.69, but I cannot continue to hold them indefinitely for a particular purpose if there is no intention on the part of the Chinese Staff of acting on my suggestion. I wish you therefore to consult your senior Assistants and Clerks and to let me know in due course what their feeling is.

It should be quite possible to form a Chinese Staff Benevolent Association with a Committee in Shanghai on the lines of the foreign Association, and I am confident that the promoters of any workable scheme would receive valuable assistance and advice from their foreign colleagues if they ask for it.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

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\* *Antea*, vol. iv, p. 25.

## CIRCULAR No. 3739 (SECOND SERIES).

**Harbour Regulations, etc., which require to be submitted to  
Consular Body: Inspector General's instructions  
regarding procedure to be followed.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 28th December 1926.

SIR,

With reference to Circular No. 2060: \*

Harbour Regulations: procedure to be followed prior to  
publication:

I find it necessary to amplify the procedure to be followed with  
regard to Harbour or other Regulations which require submission  
to the local Consular Body.

The proposed draft of such Regulations is to be submitted to  
the Inspector General for approval, under flying seal, through the  
Coast Inspector.

Similarly, the Inspector General's approval and authority to  
submit them to the Superintendent for transmission to the Shui-wu  
Ch'u† will be conveyed to the port concerned, under flying seal,  
through the Coast Inspector.

An official report to the effect that the Superintendent has  
received the Shui-wu Ch'u's approval should be sent to the Inspector  
General before further action is taken, as it is only on receipt of the  
Inspector General's definite instructions to do so that the Regulations  
concerned are to be submitted to the Consular Body.

In the event of a Superintendent declaring his inability to  
submit the draft of the Regulations to the Shui-wu Ch'u, the fact is  
to be reported officially.

The instructions contained in the last paragraph of Circular  
No. 2060 remain unchanged.

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\* *Antea*, vol. iii, pp. 127-133.

† This practice was changed in April 1931 when the Government ruled that in  
future draft harbour regulations were to be submitted to the Kuan-wu Shu direct by  
the Inspectorate. From that date a Commissioner was required to obtain the  
Superintendent's approval in writing for such draft regulations before submitting  
them to the Inspector General through the Coast Inspector (*vide* I.G. Cir. No. 4223).

It is to be noted that the above instructions are to be carefully followed, as departure from the strict order of procedure in such cases is liable to cause unnecessary difficulties.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

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SEMI-OFFICIAL CIRCULAR No. 52.

**Situation in China as affecting Customs Service: Inspector  
General's observations and advice.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 15th December 1926.

SIR,

1.—I have returned to China to find that during my short absence political development has been proceeding apace. The growth of the Nationalist Movement, which seems to acquire momentum as it progresses, the apparent determination of a northern coalition to curtail that movement, and the almost complete disappearance of constitutional authority in Peking, have produced a situation which is fraught with danger to the Service and is likely to raise difficulties of one kind or another at the ports, for the treatment of which no precedent can be found and to which standing instructions are no sufficient guide. In these circumstances Commissioners naturally and rightly look to the Inspector General for guidance, and I write this Circular in the hope that the general views expressed may be found helpful in keeping the course and steering into safety.

2.—What is now taking place in China may perhaps be known to history as the real Revolution, as opposed to the pseudo-Revolution of 1912, which did little more than make surface changes, although the retention of responsibility in one set of hands while power passed to another undoubtedly paved the way for, and made ultimately inevitable, what is now taking place. One effect the 1912

Revolution had was the immediate disorganisation of the governmental financial machinery such as it was. Face to face with a situation which made control of revenue funds imperative in the interests of China's creditors, the Service reacted spontaneously and effectively. Looking back over the last sixteen years it is easy to see how force of circumstances has tended to increase the financial responsibilities of the Service which are the logical outcome of that control. At first revenue was insufficient to meet all foreign obligations; gradually increased revenue and conditions of exchange altered the position and surpluses began to appear. The treatment of these surpluses presented difficulties which only disappeared when they were devoted to the maintenance of State credit. From 1921 onwards, as financial confusion became more acute, the Service has been the sole means of averting national bankruptcy. Its importance in foreign and Chinese eyes has been greatly enhanced by the functions it has fulfilled as a State organ, detached from politics, upholding the credit of the State, and it is perhaps no exaggeration to attribute to this cause the immunity which it has enjoyed throughout this difficult period. But the position while making for safety in some respects has the defects of its qualities. That a subordinate department should exercise a rigid control over the only certain income at the disposal of government cannot be regarded as other than a temporary expedient to meet abnormal conditions. The control will be challenged and withdrawn the moment those conditions lose their force. And in respect to new revenue, the collection of which may devolve on the Service, it would be my policy to revert to pre-Revolution practice, to accept bank receipts and to leave disposal of the funds to others.

3.—It will at once be apparent to all that the situation which confronts the Service to-day is in no way parallel to the situation of 1911-12. Ground which for decades has seemed as solid as rock is crumbling in all directions; labour has become articulate, if not vociferous, and is making demands which are calculated seriously to interfere with Service discipline; national aspirations are difficult to reconcile with the foreign Inspectorate system; and the Service is of course involved in the wave of anti-foreign feeling which has been evoked for purposes of political propaganda. It remains to be seen how far the important Chinese interests depending on the Maritime Customs will be able to counteract the agitation of extremists and protect the administration from serious interference. But if I read aright the signs I see no reason to be discouraged. Nowhere, even in times and places of greatest excitement, has there been any evidence of a desire on the part of responsible authorities to displace

us or interfere with our administration. At Canton and Swatow, which have hitherto borne the brunt of the strike and boycott agitation, thanks to the able leadership of the Commissioners—Messrs. Bell\* and Hedgeland,†—the cheerful performance of duty in almost intolerable conditions by the Staff, foreign and Chinese, and the steadiness of the latter under threats and intimidation, the administration has come through with no ground lost and unimpaired efficiency. Labour unions have been kept at a distance and incitement of the Chinese Staff to combine in this manner in order to subvert discipline has met with very little response or encouragement. The traditions of the Service, embedded in seventy years of just and liberal treatment, are deeply rooted, and while it is true that in our large and increasing Chinese Staff we are liable to attack of an insidious and dangerous kind, the loyalty and efficiency displayed by them in the face of difficulties to which their foreign colleagues are not exposed is a matter of happy augury for the future.

4.—As the situation unfolds itself Commissioners must deal with the problems which arise in the same spirit that inspired them in 1911–12. The problems will be different, but they will be soluble by common sense, good temper, and tact. Mindful that our business is to collect and safeguard revenue, to abstain from

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\* Francis Hayley Bell was born on the 14th August 1877 at Shanghai, China, and joined the Customs Service on the 1st April 1896 as 4th Assistant, B, on probation. Before being promoted Deputy Commissioner on the 1st October 1919 Mr. Bell served at Hankow, Amoy, Canton, Kowloon, Pakhoi, Chefoo, and Shanghai (twice). On the 31st December 1914 he resigned in order to volunteer for service in the Great War, and was permitted to rejoin the Service on the 10th August 1919. During the war he rose from the rank of Lieutenant to that of Lieutenant-Colonel, was specially mentioned in despatches, decorated with the Distinguished Service Order, and received the General Service Medal and the Victory Medal with Oak Leaf. On return to China Mr. Bell was for a year Out-door Deputy Commissioner at Shanghai, and was appointed Commissioner at Lappa in April 1922. He subsequently served as Commissioner in charge at Chefoo, Canton, Kowloon, and Tientsin, while from October 1929 to April 1930 he was attached to the Inspectorate at Shanghai on special duty in connexion with the formation of the Preventive Service, in which post he made extensive tours of investigation along the China coast. Mr. Bell was in charge of the Tientsin office in June 1930 when it was seized by the late Mr. B. L. Simpson (Putnam Weale). The last three months of his Service career, January to March 1931, were served as Non-Resident Secretary in the London Office. Mr. Bell holds the Order of the Chia Ho, 4th and 3rd Classes.

† Reginald Follett Codrington Hedgeland was born on the 18th December 1874 at Exeter, Devonshire, England. After education at St. Paul's School, London, and Pembroke College, Oxford, where he graduated in July 1897, he joined the Customs Service in May 1898 as 4th Assistant, B. Before being promoted Deputy Commissioner in June 1917, Mr. Hedgeland served at Kiungchow, Nanking (studying Chinese), Tientsin, Lappa, Kowloon, Swatow, and Nanning, of which latter port he was in charge for six years. In April 1921 he was appointed Commissioner and after return from leave in April 1923 was given charge of Aigun. He was subsequently Commissioner at Swatow and Canton, and retired in April 1930 while Commissioner at Hankow. Mr. Hedgeland has a fluent command of Chinese, both of Mandarin and Cantonese. He holds the Order of the Chia Ho, 4th and 3rd Classes, and 3rd Class with Brilliants; the 3rd Class of the Order of the Wên Hu; and the Ordre Royal des Millions d'Éléphants et du Parasol Blanc de Luang Prabang, France.



politics, and to maintain friendly relations with those in power, Commissioners will do well to concentrate their attention on the maintenance of discipline and the promotion of *esprit de corps*. In regard to the formation of Staff unions a word may be said. The Chinese Staff is deserving of great sympathy, and those who bend to the storm are not to be proceeded against individually or collectively unless Service discipline is threatened by actual insubordination. The Customs Service, more especially in its higher grades, is not an employer of labour in the sense of a business organisation, and there are recognised channels and rules for the representation of Staff grievances and claims. The Inspector General does not recognise Staff unions as such, and local establishments must keep aloof from them.

Finally, I cannot do better than reiterate what was on many occasions of Service crisis the dictum of the late Inspector General Sir Robert Hart. The Maritime Customs Service is a Chinese institution doing useful work for China, and so long as it continues to do that work and is necessary to the Chinese it will endure.

I am, etc.,

F. A. AGLEN,  
*Inspector General.*

## CIRCULAR No. 3749 (SECOND SERIES).

Inspector General: Sir Francis Aglen, Inspector General, hands over charge of Customs Service to Mr. A. H. F. Edwardes, appointed Officiating Inspector General.

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 11th February 1927.

SIR,

I have to inform you and the members of your staff that, in accordance with arrangements made by the Shui-wu Ch'u, which you will find described in the enclosed correspondence, I am to-day handing over charge of the Service and the Consolidated Loan Office\* to Mr. A. H. F. Edwardes, appointed Officiating Inspector General.

The events which have led up to my relinquishment of charge I do not propose to go into in this Circular, but I shall take steps to place them before the Service. The arrangements to which I refer provide that for a period of one year I shall continue to be treated as Inspector General (總稅務司待遇) and my name will be retained in the "Service List."

I am, etc.,

F. A. AGLLEN,  
*Inspector General.*

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\* The National Consolidated Debt Office (經理內債基金處) was established on the 1st April 1921 in accordance with the plan which had been put forward by the Minister of Finance, Mr. Chow Tze-ch'i, in his Memorials of February and March of that year, and which had been approved for enforcement by the Presidential Mandates of the 3rd and 13th March 1921. The purpose of the plan was to restore the Government's domestic credit by putting on a stable basis the various issues of internal loans—other than the Third, the Fourth, and the Seventh Year Short Term—in the service of which the Government had defaulted. The funds to be set aside for the service of this consolidation included, *inter alia*, the total surplus of the Maritime Customs revenue and of the *extra-50-li* Native Customs revenue after all prior obligations on them had been met; and the control of the loan service funds was definitely placed in the hands of the Inspector General of Customs, so that the service might follow the precedents set by the Third and the Fourth Year loans. In carrying on the service the Inspector General was to work in close co-operation with the National Loans Bureau and the loan service banks, which were to be Chinese institutions. After almost eight years separate existence the Consolidated Debt Office was in February 1929 transferred from Peking to Shanghai and fused along with the Revenue Chief Accountant's Office into the Revenue and Loans Office under the Financial Secretary of the Inspectorate. The Secretary of the Consolidated Debt Office from April 1921 to February 1929 was Mr. E. O. Reis, a former Commissioner of Customs. (*Vide* "China's Customs Revenue since the Revolution of 1911" (3rd Edition), pp. 301-339.)

## ENCLOSURE.

稅務處公函 年字第一二一號

逕啓者稅務事項承

閣下服務多年經營擘畫勤勞足佩惟

閣下既已迭次表示歸國意思故予照辦以遂初衷本處因念

閣下前勞殊堪嘉尙應准於一年以內仍予以總稅務司待遇以示篤念之意此後如有所見並希隨時陳報尤所厚望此致

安格聯爵士

中華民國十六年二月九日

函復 稅務處

敬復者奉到第一二一號

鈞函以全抄等因奉此竊以

鈞處能以設法使鄙人交卸回國以遂初衷實深佩仰而對於此次

鈞函所提辦法感荷尤深現已遵將海關一切事務暨所有以關稅作抵之債賠各款以及從前由政府委託保管之各項內國債券還本付息事宜均交由代理總稅務司易執士接收辦理嗣後鄙人即不負責惟

中國政府如有諮詢鄙人願將所有之經驗及意見仍予貢獻以憑

採擇可也專此佈復順頌

公綏

安格聯具

二月十一日

## SEMI-OFFICIAL CIRCULAR No. 53.

**Sir Francis Aglen's surrender of charge of the Chinese Maritime  
Customs Service as notified in I.G. Circular No. 3749:  
review of circumstances leading up to, and  
observations thereon.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, *11th February 1927.*

SIR,

1.—In Circular No. 3749 I stated that I would take steps to place before the Service the events leading up to my sudden surrender of charge. Following so closely upon the views expressed in the preceding Semi-official Circular, these events must have filled many with consternation and amazement, and I feel that it is due both to the Service and to myself that the facts, so far as they are known by me, should be placed on record in some detail.

2.—And first I wish to say a word about the surtax, because my attitude towards this question was the ostensible cause of the Central Government's impetuous action in relieving me of my responsibilities. When the Canton Government decided to collect the surtax on foreign goods in order to raise funds for the settlement of the boycott and strike situation at Canton, I came to the conclusion that the safety of the Service would be imperilled if collection should be undertaken by the Maritime Customs unless the following conditions were first fulfilled, namely, the surtax must be recognised internationally by some process of agreement as a legal charge and the Canton Government must signify its desire that the Customs should collect. Neither of these conditions has been fulfilled: the original protest of the Powers still stands, and the Nationalist Government informed me in the most explicit terms, through the mouth of its Foreign Minister, when I was recently at Hankow, that from the outset at Canton there had never been the slightest intention of permitting the Customs to touch the surtax directly and that action in this direction anywhere in China would be regarded as an act of war.

Failure on the part of one of the Powers to understand my attitude in connexion with the first of the conditions cited caused me to draw up a memorandum defining it, a copy of which is appended for your information. The memorandum was dictated hurriedly to catch a mail, but it is sufficiently explanatory. To

conclude this portion of my narrative it is only necessary to state that as early as 9th December last, when the Peking Government was considering the collection of the surtax, I had occasion to explain very clearly to the Minister of Finance and other highly placed officials the reasons which would make it necessary for the Maritime Customs to stand aside. Throughout and until my departure early in January for the South I was fully in accord on this question with the Minister of the Shui-wu Ch'u. It was understood that, no matter what action the Government might decide to take, the Customs must stand aloof, and I left Peking never dreaming for a moment that the surtax question would become acute or would involve the Service and myself in a crisis during my absence.

3.—My visit to Hankow was made necessary by a serious Staff difficulty which arose in December last as the result of the activity of the Labour Union there. I went with the knowledge and approval of the Minister of the Shui-wu Ch'u, and I believe that I was instrumental in helping the Commissioner to avert a very serious danger. While at Hankow I had necessarily to discuss the Customs question with the members of the Government, and I was thus brought into personal relations with them, which I think very materially helped to clear up misunderstandings of the past and to promote satisfactory relations for the future. It was at one of these interviews that the Foreign Minister brought forward the question of the surtax and made the declaration to which I have alluded.

While I was at Hankow I had the first intimation that the Central Government contemplated collection of the surtax by the Maritime Customs at an early date. I left Hankow the day the Customs question was settled with the intention of visiting the southern ports. At Nanking, on 28th January, I received the news that peremptory instructions were being issued through the Shui-wu Ch'u to the Customs to start collection of the surtax on 1st February, and I decided to return to Peking at once. At Shanghai, on 31st January, I was first informed that the Government intended to take disciplinary action against myself for failure to carry out instructions. The Mandate relieving me from duty was actually dated 31st January, and the news was received by me on 1st February by wireless telegram on board the revenue steamer *Pingching* between Shanghai and Taku. The crisis developed with quite unmanageable rapidity during the short period of four days. Writing on 27th January, Mr. Edwardes gave me no reason to suppose that there was any occasion for alarm. That there were contributory causes unconnected with the Service or myself for the Government's hasty action is, I think, beyond question.

4.—I arrived in Peking on 4th February and found the Government in the belief that charge had passed with the issue of the Mandate. It became necessary for me to explain that the Service and many other responsibilities which successive Governments had entrusted to me could not be made over without a formal surrender, for which I required the necessary time. Something in the nature of an *impasse* was then created, which reaction from various quarters only intensified. This caused difficulty not only for the Government but also for my nominated successor, from which extrication became an imperative necessity. And here I should like to testify in the most eloquent terms to the loyalty, good sense, tact, and ability with which Mr. Edwardes handled during my absence and after my return his end of a most difficult situation. In the circumstances the Government did what Chinese Governments have so often done before: they appealed to the Inspector General to find for them a way out of their difficulty. The Mandate, of course, was the stumbling block. After many *pourparlers* with the Government's representative the arrangement for my withdrawal which you already know was decided upon. All through these negotiations I had to steer to prevent, if possible, disruption of the Service. Too late the Government admitted that I was right in refusing to collect the surtax by agreeing tacitly to drop the instructions and to make other arrangements.

5.—In conclusion, if I may be permitted to end on a more personal note, I desire to express to the Service my deep regret that I have been compelled to relinquish the helm at such a critical time, and I wish that my departure could have been contrived in a manner more befitting the dignity of the great institution which for 70 years has served China so well. During the 17 years of my administration the Maritime Customs has seen many changes and has surmounted many dangers, thanks to the loyal co-operation of past and present members of the Service, and to all who have assisted me and helped me to carry my burden I tender my heartfelt thanks.

I am, etc.,

F. A. AGLLEN,  
*Inspector General.*

ENCLOSURE.  

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MEMORANDUM.  

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MARITIME CUSTOMS ATTITUDE IN CONNEXION  
WITH CANTON "ILLEGAL" SURTAXES.

The Maritime Customs collects duties on foreign goods sanctioned by treaty and enforces payment in virtue of authority conveyed by treaty: it detains steamers or goods until duties are paid.

The Maritime Customs cannot undertake collection of duties on foreign trade, not sanctioned by the Treaty Powers, because it has no authority to enforce payment and would act arbitrarily and *ultra vires* in detaining ships or cargo to enforce payment. The whole basis on which the Maritime Customs rests in relation to China's foreign trade is the legality of the dues collected.

In the face of a unanimous declaration from the Treaty Powers that the Customs surtaxes are illegal, the Maritime Customs must hold aloof.

The question then arises, what would be the attitude of the Maritime Customs in the event of one or more Treaty Powers agreeing to collection, while others protested and adhered to declaration that the surtaxes were illegal?

Could the Maritime Customs collect and enforce payment in respect to goods of, say, British provenance and abstain from collecting in the case of goods of, say, American or Japanese provenance?

Under the conditions in which foreign trade is conducted this would not be practicable. The Customs could not hold American or Japanese steamers to enforce payment in respect to British goods imported by those steamers, nor could they detain American or Japanese goods imported by British merchants in British bottoms to enforce payment. Such action would imply the invoking of treaty sanction for the enforcement of duties not sanctioned by treaty. It would place the Customs on untenable ground and would merely embroil the Powers.

Could the Customs, relying on the assent of one or more Powers, enforce collection uniformly on the assumption that enforcement of the collection would not be resisted by non-assenting Powers?

The same argument of impracticability applies, and, further, there is no ground for the assumption. The non-assenting Powers stand on principle. The fact that their nationals are paying voluntarily to the extra-Customs Revenue Administration set up by the Canton Government does not in any way vitiate their stand. Should, however, the taxes be collected by an administration which bases its action on the sanctions provided by treaty, payment would no longer be voluntary and protest would be carried to the length of overriding the illegal detention of vessels and cargo employed by the Customs to enforce payment.

In other words, foreign merchants can pay taxes, for reasons which seem good to them, to an administration which functions outside of, and in defiance of, the treaties, without raising embarrassing questions of principle for their Governments. Directly the Customs, which functions in virtue of the treaties, collects these taxes, the question of principle will be raised at once.

The Customs functions legally: it cannot be made to function illegally from motives of expediency.

It follows, therefore, that before the Customs can undertake collection there must be unanimity on the part of the Treaty Powers.

F. A. AGLLEN,

*Inspector General of Customs.*

PEKING, 3rd December 1926.

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## CIRCULAR No. 3750 (SECOND SERIES).

**Inspector General: Mr. A. H. F. Edwardes has assumed charge of Customs Service as Officiating Inspector General; notifying.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 11th February 1927.

SIR,

With reference to Circular No. 3749 (N.C. No. 440), I have to inform you and the members of the Service at your port that I have to-day taken over charge of the Service and of the Consolidated Loan Service, in accordance with the instructions of Shui-wu Ch'u despatch No. 106, copy of which is sent for your information.

In view of certain difficulties which have arisen from the events which have led up to my assumption of charge, I would confine myself at this juncture to asking the Staff to give me their loyal support in carrying on our revenue collection.

I am, etc.,

A. H. F. EDWARDES,  
*Officiating Inspector General.*

ENCLOSURE.

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稅務處令第一〇六號 中華民國十六年二月十一日

前奉

大總統令任命易純士代理總稅務司業經本處於本年二月一日令行遵照並令將就任日期具文呈報

在案迄今未據呈報查總稅務司職務重要未便久懸該代理總稅務司務卽於本日就任以重職守仍於

就任後呈報本處此令

## SEMI-OFFICIAL CIRCULAR No. 54.

**Withdrawal of Sir Francis Aglen from control of Customs Service:  
steps taken to maintain stability of Service: further recruitment  
of foreigners to be discontinued for time being: strictest  
economy in all Service expenditure essential.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, *24th February 1927.*

SIR,

S/O Circular No. 53 has informed you of the regrettable events which culminated in the Inspector General's surrender of charge.

It was inevitable that the sudden withdrawal of the head of the Service in such circumstances at the present time of crisis should cause anxiety with regard to the future in the minds of the Staff, and it has already been suggested to me that a Circular might be issued with a view to reassuring those who are naturally uneasy.

It must, of course, be clear to all that the existing situation is a dangerous one and fraught with many difficulties, but, though the outlook is far from being a pleasant one, it is to be hoped that the fear of actual disruption of the Service is not justified.

Throughout the difficult and unpleasant negotiations which followed his return to Peking after the issue of the Mandate of dismissal, the one aim and object of the Inspector General was to prevent the upsetting of the Customs Service. It was to this end that he bent all his energies, and his entire disregard of his own personal feelings formed the culminating point to the self-sacrificing devotion to Service interests which he has shown during the 17 years he has filled the post of Inspector General.

Although the prospect of any immediate disruption of the Customs is not likely, it is clear that existing circumstances demand that the Service should rigidly confine its activities, and I would impress upon Commissioners the paramount importance of economy in all directions, and would ask for their loyal co-operation to this end. Until the situation clears I do not propose to fill any foreign staff vacancies which may occur, with the result that the foreign staff will have to be concentrated at the more important revenue-collecting centres. Shortage of staff at the smaller ports can only be met by Commissioners reorganising and redistributing the duties of the staff so as to enable the work to be efficiently carried out. Expenditure of all kinds is to be reduced to a minimum and repairs

to buildings are to be limited to cases of extreme urgency, where their neglect would mean damage to the property. Proposals for new building schemes are not to be submitted for the present.

You are authorised to communicate the contents of this Circular to the senior members of the Out-door Staff.

I am, etc.,

A. H. F. EDWARDES,  
*Officiating Inspector General.*

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CIRCULAR No. 3795 (SECOND SERIES).

**Chinese goods shipped coastwise *via* a foreign port: extension  
of coastwise privilege treatment to specified ports.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 13th March 1928.

SIR,

With reference to Circular No. 555:

Giving instructions for the keeping and compilation of port trade statistics, more especially in regard to merchandise passing from one treaty port to another *via* Hongkong, and laying down the principle that Chinese goods, duly covered by Customs documents, shipped from one treaty port to another and passing through Hongkong, but not landed or transhipped there, are to retain their coastwise privileges:

I have now to enclose, for your information and guidance, copy of Shui-wu Ch'u despatch No. 140, from which you will see that, as the ruling made for the coastwise treatment of Chinese goods passing through Hongkong has been applied by some ports also to such goods passing through Korean ports, and as there are indications that still further extensions of this privilege are in contemplation, I submitted the matter to the Ch'u, pointing out that, if this practice of coastwise treatment of goods going from one Chinese treaty port to another Chinese treaty port *via* a foreign port is allowed to expand indefinitely, it may become liable to grave abuse with consequent detriment to the revenue, but that, on the other hand, every possible facility should be afforded for the fullest development of trade, an

argument which applies with especial force to the trade between those ports which are actually on the coast of China's mainland, including such foreign-controlled ports as Weihaiwei, Hongkong, and Kwangchowwan, or which are on territory contiguous to that mainland, or in territory formerly belonging to China, such as the ports of Korea and Formosa; and suggesting—

- (1) That the practice of granting coastwise treatment to goods conveyed from one Chinese treaty port to another Chinese treaty port *via* a foreign port be allowed in the following instances:—
  - (a) From a Chinese treaty port to a Chinese treaty port *via* Hongkong;
  - (b) From a Chinese treaty port to a Chinese treaty port *via* Weihaiwei;
  - (c) From a Chinese treaty port to a Chinese treaty port *via* Kwangchowwan;
  - (d) From a Chinese treaty port to a Chinese treaty port *via* a Korean port or ports; and
  - (e) From a Chinese treaty port to a Chinese treaty port *via* a Formosan port or ports; but
- (2) That full precautions should be taken to protect the revenue and prevent malpractices, such as the substitution of cargo at any foreign port.

The Ch'u, with the concurrence of the Ministry of Finance, has, as you will notice, decided that the proposals detailed under (1) and (2) above are to be given effect to experimentally for a period of two years, after which time the question of cancelling or continuing the practice will be again considered.\*

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\* The Shui-wu Ch'u ceased to function in November 1928 (*postea*, I.G. Cir. No. 3820, vol. iv, p. 135), and the Kuan-wu Shu took its place. Not realising the importance of this non-landing and non-transshipment rule for native goods carried coastwise *via* a foreign port, the Kuan-wu Shu in January 1929 gave orders that native goods when sent from one treaty port to another *via* a foreign port, or ports, were to be granted D.P.C. privileges, no matter how often the goods had been landed or reloaded on the way, provided only that no repacking had taken place (*postea*, I.G. Cir. No. 3851, vol. iv, p. 150). It was soon realised that this would afford wide opportunities for fraud, and so in June 1929 regulations were drawn up for the control of native produce shipped coastwise from treaty port to treaty port *via* a foreign port. These regulations were approved by the Shu, but were not immediately put into operation as this question was one of the issues in the negotiations then pending with the Hongkong Government for a Customs Agreement. They were eventually revised and enlarged and made operative in September 1931. (*Postea*, I.G. Cir. No. 4299, vol. iv, p. 568; *vide* also I.G. Cir. Nos. 4395, 4576, 4810, and 4915.)

I have accordingly to instruct you that, whenever a merchant or shipping company applies for the privilege of sending Chinese goods coastwise *via* any of the above-mentioned foreign ports, you are to take from the applicant a bond guaranteeing that the goods declared for other treaty port or ports, and covered by Chinese Customs documents, shall not be landed or transhipped at any of the foreign port or ports touched at, but shall remain intact, and on board their original conveying vessel, until landed at their Chinese treaty port destination, and that, in case of any proved malpractice, the applicant binds himself or his company to pay to the Chinese Customs a fine of five times the duty both on the goods originally shipped and on the goods substituted.

You are further to keep a careful record of all cases in which this coastwise privilege is made use of and to supply me at the end of two years from now with a full report on the working of the special arrangements now authorised.

I am, etc.,

A. H. F. EDWARDES,  
*Officiating Inspector General.*

## ENCLOSURE.

稅務處令第一四〇號 中華民國十七年二月二十四日

案據代理總稅務司露字第七號呈稱竊查近三十五年以來按照海關向例所有由中國通商此口繞道香港運赴通商彼口之貨如不在香港起貨亦無轉駁情事應准作爲復進口之土貨待遇可由裝貨口岸之海關發給已完正稅之憑單或免重徵執照俟運到通商彼口時該口海關或徵一復進口半稅或憑免重徵執照免稅放行但在香港如有起卸或轉駁情事則彼口海關即將該貨視作洋貨待遇徵稅

請閱總稅務司通令

第五五號

歷經照辦在案頃據膠海關稅務司呈稱自民國十一年九月以來每年夏令時有輪船在青島安

東間繞道濟物浦地方來往行駛在海關對於該輪所裝貨物如未在濟物浦起卸或轉駁即按上開成例以土貨待遇迄今仍屬按此辦理等情又據安東關稅務司呈稱准朝鮮郵船株式會社函開敝會社現擬開闢安東上海間往來航線嗣後本會社輪船即由安東繞道木浦及釜山至滬再由滬繞道青島仁川鎮南浦回安東其由中國口岸所裝運赴中國通商各口之貨雖屬繞道外國口岸應請於該貨運抵指運口岸時准作土貨待遇等情先後據此當經令復該兩關稅務司以對於由通商此口繞道外國口岸運赴通商彼口之貨在彼口按照土貨待遇因對於總稅務司第五五號通令內載限制範圍有超越之傾向所以礙難准行其已經享受此項特別利益者應由各該關稅務司告以現由總稅務司將此項辦法呈請稅

務處酌核決定將來是否將該項特別待遇取消應候稅務處核示等語去訖代理總稅務司查由此口繞道外國口岸運赴彼口貨物仍按土貨待遇辦法如果推廣範圍漫無限制恐難免滋生弊竇於稅課或有影響惟爲貿易前途計似應予以便利辦法俾商業可以發達且不但中國境內直接之貿易應使其發達卽中國之大陸各口岸如外人管理之威海衛香港廣州灣等或毗連中國大陸之外國口岸或從前屬於中國之口岸如朝鮮台灣等處之貿易與中國貿易大有關係者亦均應使其日見發達如此在代理總稅務司以爲最妙係將前項繞道外國口岸之貨籌擬兩項辦法如下

(一) 凡由中國通商此口繞道外國口岸運赴通商彼口之貨以繞經下開各口爲限可由彼口海關按照土貨待遇

遇

(甲) 由中國通商此口繞道香港運赴通商彼口者

(乙) 由中國通商此口繞道威海衛運赴通商彼口者

(丙) 由中國通商此口繞道廣州灣運赴通商彼口者

(丁) 由中國通商此口繞道朝鮮等口岸運赴通商彼口者

(戊) 由中國通商此口繞道台灣等口岸運赴通商彼口者



(二)爲保護稅收及防杜弊端(如在外國口岸抽換貨物等事)起見凡輪船公司請享上項利益時必須出具甘結交由開船之通商口岸海關收存担保報運中國彼口並領海關關單之貨不在外國口岸起卸或轉駁或有抽換改變等事俟運抵中國通商彼口後方可將貨物起船如查有何項舞弊情事該輪船公司應承認按照原裝及抽換貨數繳納應完正稅五倍之罰款

所有對於由中國通商此口繞道外國口岸運赴通商彼口之貨物擬按土貨待遇辦法是否有當理合備文呈請鑒核迅速示復祇遵等情當經本處以代理總稅務司所呈各節係爲便利土貨起見似可照准等語轉咨財政部核復去後茲准財政部咨復稱查上項繞道外國復進口之貨物仍按土貨待遇辦法實施之後關於正半稅之增減及附加稅之徵免於收入上頗有影響既據代理總稅務司籌擬辦法兩端貴處擬予照准自係爲發展土貨貿易起見本部爲便利土貨保護稅收兩方兼顧擬將上項辦法酌定兩年期限仍於限內留心考察有無流弊於稅收有無重大損失俟限滿時再行斟酌情形辦理以昭慎重應咨復查照轉飭代理總稅務司遵照等因前來本處復查代理總稅務司所擬由中國通商此口繞道外國口岸運赴通商彼口之貨物按照土貨待遇兩項辦法既經財政部核復准以兩年爲試辦期間應即照行惟須按照部咨留心考察該項辦法有無流弊以及稅收有無重大損失如於試辦期內見有何種不便之處仍應由本處隨時飭令取消以重稅收而免損失除分行外相應令行代理總稅務司轉令各關稅務司遵辦此令

## CIRCULAR No. 3819 (SECOND SERIES).

Officiating Inspector General: appointment of Mr. A. H. F. Edwardes  
as, made by Nationalist Government, notifying.

INSPECTORATE GENERAL OF CUSTOMS,  
PEKING, 26th October 1928.

SIR,

I circulate, for your information and guidance, copy of despatch  
No. 1380 from the Ts'ai-chêng Pu of the Nationalist Government,  
notifying my appointment as Officiating Inspector General.

I am, etc.,

A. H. F. EDWARDES,  
*Officiating Inspector General.*

ENCLOSURE.

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國民政府財政部令 第一三八〇號

令易純士

爲令知事茲派該員代理海關總稅務司仰卽遵照此令

中華民國十七年十月三日

部長宋子文

## CIRCULAR No. 3820 (SECOND SERIES).

**Customs Service: transfer of control from Shui-wu Ch'u to  
Kuan-wu Shu, notifying.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEPING, *9th November 1928.*

SIR,

With reference to Circulars Nos. 1339, 1361, 1369, and 1381:\*

Customs Service: transfer of control from Wai-wu Pu to  
Shui-wu Ch'u:

I now circulate, for your information and guidance, copy of despatch No. 12 from the Ts'ai-chêng Pu of the Nationalist Government, from which you will see that the Shui-wu Ch'u has ceased to function and that control of the Customs will in future be exercised by the Kuan-wu Shu (關務署).

I am, etc.,

A. H. F. EDWARDES,  
*Officiating Inspector General.*

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\* *Antea*, vol. ii, pp. 508, 539, 544, 548-552.

ENCLOSURE.

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國民政府財政部訓令部字第十二號

令代理總稅務司易純士

爲令遵事查前稅務處事務業由本部關務署接收辦理總稅務司署著卽由關務署管轄仰該員秉承關務署署長命令辦理及改善海關關務一切事宜以一事權此令

中華民國十七年十月三十一日

部長朱子文

## CIRCULAR No. 3821 (SECOND SERIES).

**Customs Service: Kuan-wu Shu: Mr. Chang Fu-yün appointed  
Director General of the Kuan-wu Shu.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEPING, 9th November 1928.

SIR,

With reference to Circular No. 3820:

Customs Service: transfer of control from Shui-wu Ch'u  
to Kuan-wu Shu:

I circulate, for your information and guidance, copy of Kuan-wu Shu despatch No. 1, from which you will see that Mr. Chang Fu-yün (張福運) has been appointed Director General of the Kuan-wu Shu.

I am, etc.,

A. H. F. EDWARDES,  
*Officiating Inspector General.*

ENCLOSURE.

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國民政府財政部關務署訓令第一號

令代理總稅務司易絜士

爲令知事案查本年一月十二日奉

國民政府令內開任命張福運爲

國民政府財政部關務署署長此令等因遵卽于是日就職任事至今合行令仰該代理總稅務司知照并轉飭各海關稅務司知照此令

中華民國十七年十一月六日

署長張福運

## CIRCULAR No. 3822 (SECOND SERIES).

**Inspectorate General of Customs: transfer of office from Peking;  
opening of temporary office in Shanghai; telegraphic  
address, etc., of new office.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 24th November 1928.

SIR,

I enclose, for your information and guidance, copy of Ts'ai-chêng Pu despatch No. 4, from which you will see that the Government has ordered the transfer of the Inspectorate from Peking to Nanking.

Seeing, however, that at present there is no available accommodation at Nanking suitable for housing the offices and staff of the Inspectorate, it has been agreed that a temporary office shall be opened at Shanghai for the transaction of Inspectorate routine business.

I have accordingly to inform you that I have to-day opened an office at Nos. 21-24 Hart Road, to be known as the "Shanghai Office of the Inspectorate General of Customs (總稅務司署上海辦事處)," and to request you, from the receipt of this Circular, to send all revenue remittance notes as well as all [B.—6] and [B.—8] returns direct to that address. All other correspondence—which should be restricted to what is absolutely essential—and returns are to continue to be sent to Peking until the 15th December this year, after which date all communications, both private and official, are to be forwarded to the new Shanghai address.

The telegraphic address of this Shanghai Office—registered with the Chinese Telegraph Administration, the Great Northern and the Eastern Extension Companies—is "Inspection Shanghai," and I have to request you to commence at once using this address for all telegrams dealing with revenue, including those at the close of this year reporting the total annual collection, but to continue using the old "Custos Peking" address for all other telegrams until the 15th January next year, after which time all telegrams of whatsoever nature are to be sent to the new Inspectorate Office at Shanghai.

I am, etc.,

A. H. F. EDWARDES,  
*Officiating Inspector General.*



ENCLOSURE.

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國民政府財政部令 滬字第四號

爲令遵事查國民政府定都南京總稅務署著移京設置仰卽遵照辦理此令

中華民國十七年十月十三日

## CIRCULAR No. 3833 (SECOND SERIES).

National Import Tariff: to be enforced on 1st February  
1929; instructions.

INSPECTORATE GENERAL OF CUSTOMS,  
PEPING, 15th December 1928.

SIR,

I circulate, for your information and guidance, copy of Kuan-wu Shu despatch No. 50, from which you will see that a new National Import Tariff\* is to be enforced from 1st February 1929. Advance copies of this Tariff are being sent to you by the Statistical Secretary, and you should take steps to see that desks concerned become as conversant as possible with the new rates. Instructions regarding actual collection and remittance of the revenue collected under this new Tariff will be sent to you later.

I am, etc.,

A. H. F. EDWARDES,  
*Officiating Inspector General.*

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\* At the Peking Tariff Conference of 1925-26 it was agreed in principle that China's National Tariff Law should come into force on the 1st January 1929, by which time, it was contended by most of the foreign representatives present, China should have carried out the abolition of *likin* (Wright: "China's Struggle for Tariff Autonomy, 1843-1938," chapter vi, *passim*). On the 25th July 1928 representatives of the United States and China signed a tariff autonomy agreement to come into force on the 1st January 1929. America's example was quickly followed by the other Powers, Germany signing a tariff agreement on the 17th August, Norway on the 12th November, Belgium and Luxemburg on the 22nd November, Italy on the 27th November, Denmark on the 12th December, the Netherlands and Portugal on the 19th December, Sweden and Great Britain on the 20th December, France on the 22nd December, and Spain on the 27th December (*vide* I.G. Cir. No. 3878 and "Treaties and Agreements with and concerning China 1919-29," pp. 237-273). Although Japan did not sign her tariff agreement with China till the 6th May 1930 (*vide* I.G. Cir. No. 4089), she finally waived her objections to the enforcement of the new tariff on the date specified—1st February 1929 (*postea*, I.G. Cir. No. 3854, vol. iv, p. 155). The rates of the new National Tariff were in the main based on the table of proposed interim surtaxes, submitted on the 25th March 1926 by the American, British, and Japanese delegations at the Peking Tariff Conference; that is to say, the suggested surtaxes of 2½, 5, 7½, 10, 12½, 17½, and 22½ per cent were added to the rates of the existing (1922) tariff on the goods listed in these seven classes, thus giving new rates ranging from 7½ to 27½ per cent. (Wright: *op. cit.*, pp. 640, 641.)

ENCLOSURE.

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財政部關務署令第五十號

令代理總稅務司易執士

爲令遵事查中華民國海關進口稅則業經

國民政府公布並定自十八年二月一日施行在案除令各海關監督布告中外商民一體知悉並轉飭稅務司遵照外仰卽遵照此令稅則正副本各二份均發

中華民國十七年十二月十日

## CIRCULAR No. 3842 (SECOND SERIES).

**Deputy Inspector General: appointment of Mr. F. W. Maze,  
Commissioner of Customs, Shanghai, as, notifying.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEPING, 31st December 1928.

SIR,

I circulate, for your information, copy of Ts'ai-chêng Pu despatch No. 5526, from which you will see that Mr. F. W. Maze, Commissioner of Customs, Shanghai, has been appointed Deputy Inspector General of Customs.\*

I am, etc.,

A. H. F. EDWARDES,  
*Officiating Inspector General.*

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\* Appointed on the 3rd October 1928.

ENCLOSURE.  

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國民政府財政部訓令第五五二六號

令代理總稅務司易純士

爲令遵事案查本部前於十月三日令派梅樂和充任海關副總稅務司在案仰卽知照並轉令各關稅務司知照至該副總稅務司每月薪金應按照總稅務司月薪四分之三之數支給並准在海關經費項下開支併仰遵照此令

中華民國十七年十二月十七日

## CIRCULAR No. 3843 (SECOND SERIES).

**Resignation of Officiating Inspector General: resignation of Mr. A. H. F. Edwardes, Officiating Inspector General, notifying; thanks of O.I.G. for loyal co-operation of colleagues, conveying.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEPING, 9th January 1929.

SIR,

In a despatch to the address of the Ministry of Finance, dated 31st December 1928, I have tendered my resignation from the post of Officiating Inspector General.

It is with great regret that I have felt myself compelled to take this step in the interests of the Service. I wish to express my most sincere thanks to all my colleagues, both Chinese and foreign, who have assisted me with their loyal co-operation throughout the difficult period during which I have been in charge.

I take this opportunity of wishing the Service all success and prosperity in the years to come.

I am, etc.,

A. H. F. EDWARDES,  
*Officiating Inspector General.*

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CIRCULAR No. 3844 (SECOND SERIES).

**Appointment of Mr. F. W. Maze, Deputy Inspector General, as Inspector General of Customs, notifying.**

INSPECTORATE GENERAL OF CUSTOMS,  
PEPING, 9th January 1929.

SIR,

I enclose, for your information, copy of a telegram which I have received from the Minister of Finance accepting my resignation of the appointment of Officiating Inspector General and notifying me of the appointment of Mr. F. W. Maze, Deputy Inspector General, as Inspector General of Customs.

I am, etc.,

A. H. F. EDWARDES,  
*Officiating Inspector General.*

ENCLOSURE.

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代理總稅務司易執士覽該員呈請辭職應卽照准並已令梅樂和爲總稅務司仰卽遵照交代部長宋齊

## CIRCULAR No. 3845 (SECOND SERIES).

**Inspector General: Mr. F. W. Maze assumes charge of the  
Customs Service as, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *9th January 1929.*

SIR,

With reference to Circular No. 3844, I have to inform you and the members of the Service at your port that I have to-day taken over charge of the Service and of the Consolidated Loan Service, in accordance with the instructions of Ts'ai-chêng Pu despatch No. 1807, copy of which is enclosed for your information.

I am, etc.,

F. W. MAZE,  
*Inspector General.*



ENCLOSURE.

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國民政府財政部令第一八〇七號

令梅樂和

茲派梅樂和爲海關總稅務司仰卽遵照具報此令

中華民國十八年一月八日

## CIRCULAR No. 3846 (SECOND SERIES).

**Customs Service: apprehensions regarding radical changes in existing system of administration not warranted; I.G.'s remarks.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 21st January 1929.

SIR,

I understand that during the progress of the Civil War, and even after the occupation of Peking by the Nationalist forces, a section of the Customs Staff, Chinese and foreign, entertained misgivings in regard to the future prospects of the Service, and it is fitting, therefore, for me to place on record certain reassuring statements that the Kuan-wu Shu have registered in this connexion from time to time. The fact that I have been appointed to the substantive post of Inspector General appears to be in itself evidence that there is no intention to disturb the general system of Customs administration which for so long a period has conduced to efficiency of work and continuity of employment. Furthermore, the Director General of the Shu recently informed me that the Government has no desire either to relinquish the principle of employing foreigners in the Customs or to disturb the existing pension system, etc. A letter to this effect is appended hereto for the information of yourself and your staff. I myself have consistently held the view that our best security is our usefulness to China, and, if we continue to serve her as loyally and as efficiently in the future as in the past, there is no reason to suppose that the Government will curtail existing privileges or alter materially the Customs administrative policy adhered to in former times. It should be understood, of course, that natural and national development must necessarily result in the Chinese members of the Service becoming eligible in the future for posts of greater responsibility, and in my opinion it is right that they should gain a footing on a higher plane. I ought to state, in conclusion, that it is now more essential than ever for Customs employees to confine their activities to Customs work, to eschew political questions which do not concern them, and to continue to cultivate, strengthen, and maintain friendly relations with Chinese officials and the public generally. I trust that the foregoing remarks will contribute to a better understanding of the position and serve to dispel such apprehension as may exist.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE.

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*The Director General of the Kuan-wu Shu to  
the Inspector General.*

SHANGHAI, 21st January 1929.

DEAR MR. MAZE,

Pursuant to our conversation in which you asked me for an expression of opinion on certain points relative to the Customs Service, I wish to inform you that it has not been contemplated to dispense with the services of foreigners in the Service, to abolish the pension schemes, or to effect changes in the general system of Customs administration.

Very sincerely yours,

F. CHANG,

*Director General of the Kuan-wu Shu.*

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CIRCULAR No. 3851 (SECOND SERIES).

**Chinese goods shipped coastwise *via* a foreign port: to be  
granted coastwise privileges provided only that  
no repacking has taken place.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 29th January 1929.

SIR,

With reference to Circular No. 3795: \*

Chinese goods shipped coastwise *via* a foreign port:  
extension of coastwise privilege treatment to specified  
ports:

I have now to circulate, for your information and guidance, copy of Kuan-wu Shu despatch No. 97, from which you will see that native cigarettes sent to Lungchingsun *via* foreign ports are to be treated as D.P.C. cargo and that, moreover, all other native products, when sent from one treaty port to another treaty port *via* foreign ports,

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\* *Antea*, vol. iv, p. 127.

are to be granted D.P.C. privileges, no matter how often the goods may have been landed and reloaded on the way, provided only that no repacking has taken place.

This decision of the Government conflicts with our existing practice in several respects, for it has always been held by the Customs that, while transhipment at a foreign port is not forbidden, the conveyance of Chinese produce, without loss of status as such, from one treaty port to another *via* a foreign port or ports is a privilege calling for special legislation and that, while authorised transhipment of goods at a treaty port where the Chinese Customs can supervise the operation does not affect the status of the goods transhipped, transhipment of Chinese produce covered by Chinese Customs documents at a foreign port, where the Chinese Customs have no authority and can exercise no supervision, is held to affect the status of such goods.

Therefore, while instructing you to give effect to the new ruling given by the Ts'ai-chêng Pu in the matter, I have to request you to exercise particular care in the examination of Chinese goods arriving at your port *via* a foreign port or ports where transhipment or landing and reloading have taken place in order to ensure that the goods passed are original D.P.C. cargo and that no substitution has taken place.

This decision of the Government renders superfluous the inclusion of any special clause in the Annual Guarantee form in regard to goods shipped coastwise *via* a foreign port, and the Statistical Secretary and Commissioners at the ports concerned are therefore not to make any change in the Annual Guarantee form, [C.—102], contrary to previous instructions sent to the Statistical Secretary and certain ports from Peking before receipt of the Kuan-wu Shu despatch announcing the new ruling.

Finally, it is to be noted that the present ruling does not affect standing instructions regarding the treatment of Chinese goods shipped abroad and returned unsaleable to original port; nor is the special treatment of Chinese goods sent to or from Lungchow, Mengtsz, and Szemao *via* Annam, provided for in Article IV of the Supplementary Additional Commercial Convention of 1895, affected thereby.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

國民政府財政部關務署令第九七號

令代理總稅務司

爲令遵事查凡屬國產途經外國領土重入國境一律發給紅單前據南洋兄弟煙草公司呈請經部核准並令飭江海關遵照辦理在案合行照錄原案令仰該代理總稅務司遵照並轉飭延吉關遵照辦理此令

附抄件

中華民國十七年十二月二十八日

抄件

令江海關監督

爲令遵事案據南洋兄弟煙草公司運往吉林省之延吉土製捲煙經由門司斧山日韓國境江海關不允發給紅單致使敝公司之土製捲煙亦作舶來品分等級每千枝徵稅竊思曾經納過百分之十原料稅之士製捲煙與未經納過百分之十原料稅之舶來品同等徵稅試問相差稅率百分之十何能與外貨競爭以挽權利懇請令行江海關稅務司准發紅單俾免誤作洋貨捲煙之稅徵收又據呈稱土製捲煙運往雲南須由西貢改裝海防再行裝車入滇江海關稅務司因多一度西貢轉口不准照發紅單與運去延吉之貨同一情形懇令稅務司照發蒙自關紅單俾國貨在雲南發展各等情到部查土貨運往延吉向由上海日籍輪船公司直接運到韓境斧山由該公司一手經理担負完全責任日本之於捲煙又係施行政府專賣制度對於捲煙取締極嚴原箱轉運不能拆開亦無改裝情事至土貨運往雲南必須先向法領事署請領通過證貨到法境亦因煙稅取締極嚴監視過境不容有絲毫鬆懈似此情形土貨運往吉林雲南中途雖經外國殊少舞弊發生之可能自應按照例准發紅單以免重徵而期公平至於他種貨物凡屬國產途經外國領土入國境者止須不另改裝無論轉運幾次嗣後一律發給紅單庶國貨免受重徵關稅除批示外合亟令仰該監督轉行稅務司及所屬一體遵照勿違此令

## CIRCULAR No. 3852 (SECOND SERIES).

Service moneys: to be deposited in the Central Bank of China at all ports where there is a branch; purchases of dollars required for Service use to be made through the Bank, but the rate should not be lower than the open market rate.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 30th January 1929.

SIR,

I circulate, for your information and guidance, copy of Kuan-wu Shu despatch No. 162 and of my reply, from which you will see that all Service moneys are to be deposited in the Central Bank of China at all ports where a branch of the Bank has been already established or is established in future and that, moreover, all purchases of dollars required for Service use are henceforth to be made through the Bank.

In acknowledging receipt of the despatch from the Kuan-wu Shu, you will observe that I have stated that, while the Central Bank of China is, of course, entitled to preference in regard to transaction of Customs exchange business, it is expected that the rates offered by the Bank should not be less favourable than the open market rates of the day.

I have to request you to act accordingly.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部關務署訓令第一六二號

令總稅務司梅樂和

爲令遵事查中央銀行係國家銀行前經

國府議決各機關公款均應悉數存放該行業經

部令飭遵照在案凡屬公款自應一律辦理嗣後該總稅務司署暨所屬各關稅務司署經費款項凡有中  
央銀行分行之處均應悉數存放該行以重公帑再嗣後海關以銀兩購買銀元並應專向該行購買仰即  
遵照辦理爲要此令

中華民國十八年一月二十四日

呈財政部關務署第六七號

呈爲奉令嗣後總稅務司署暨所屬各關稅務司署經費款項存放中央銀行並專向該行以銀兩購買銀  
元自應遵照辦理具呈復請鈞鑒事案奉

鈞署第一六二號訓令內開查中央銀行係國家銀行前經

國府議決各機關公款均應悉數存放該行業經

部令飭遵照在案凡屬公款自應一律辦理嗣後該總稅務司署暨所屬各關稅務司署經費款項凡有中  
央銀行分行之處均應悉數存放該行以重公帑再嗣後海關以銀兩購買銀元並應專向該行購買仰即  
遵照辦理爲要等因奉此總稅務司自應遵照辦理並經通令各關稅務司遵辦去訖至關於以銀兩購買銀  
元應專向中央銀行購買一節查中央銀行既係國家銀行自然有接受此項交易之優先權惟購買銀元  
時該行所定銀價似不能低於當日之市價應請轉知該行查照奉令前因理合備文復請  
鑒核謹呈

中華民國十八年一月二十九日

## CIRCULAR No. 3854 (SECOND SERIES).

**Customs Import Tariff of 1929: to be enforced from 1st February 1929 at all treaty ports; instructions. Inward transit dues: to continue to be levied in accordance with Revised Import Tariff of 1922. Surtax Bureaux and Special Kerosene Oil Tax Bureaux: to be abolished and functions taken over by Maritime Customs and Native Customs within 50-*li* radius; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 31st January 1929.

SIR,

1.—The Nationalist Government of China having promulgated a revised Import Tariff, known as the "Customs Import Tariff of the Republic of China,"\* I have been instructed by the Minister of Finance to enforce this new Tariff at all the treaty ports on the 1st February 1929. I have therefore to instruct you to levy import duty on all foreign goods arriving in China on or after the 1st February 1929 at the duty rates appearing in the new Import Tariff, copies of which have been duly supplied to your port.

2.—In carrying out these instructions you are to be guided by the following regulations:—

- (a) The Customs Import Tariff of the Republic of China is applicable to all foreign imports arriving in China on or after the 1st February 1929, whether through the Maritime or the Native Customs, by foreign-style vessels or by junks, or through the post.
- (b) The date of arrival is determined by the date of entry of the importing vessel, *i.e.*, the date of presentation of the Consular report in the case of foreign vessels or of the presentation of ship's papers in the case of Chinese vessels.
- (c) Transshipment cargo, having to be discharged from the importing vessel in order to be loaded on to the exporting vessel, is considered as having entered China at the port of transshipment. The tariff

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\* *Antea*, footnote to I.G. Cir. No. 3833, vol. iv, p. 141.



applicable will be determined by the date of entry of the importing vessel at the port where transshipment has been effected.

- (d) Through cargo, which remains on board a vessel and consequently on foreign territory until it is actually discharged, will pay at new Tariff rates if the vessel arrives at the port of actual importation on or after the 1st February 1929.
- (e) Foreign goods marked "To pay" will be subject to the new Import Tariff if the carrying vessel has cleared from the Chinese port of shipment on or after the 1st February 1929.
- (f) Foreign goods on which a drawback has been granted, and on which duty is again to be levied at the new port of importation, will pay the same duty as was levied originally.
- (g) The new Tariff is not applicable to inward transit dues, which are to continue to be levied in accordance with the Revised Import Tariff of 1922.

3.—Contemporaneously with the introduction of the Customs Import Tariff of the Republic of China the Nationalist Government has decreed that all Surtax Bureaux and Special Kerosene Oil Tax Bureaux\* are to cease, and their functions are to be taken over by the Maritime Customs and by the Native Customs within the 50-*li* radius, therefore under Maritime Customs control, on the 1st February 1929, and I have to instruct you to take over these Bureaux and to collect the surtaxes in accordance with the following regulations:—

- (a) The surtax and luxury tax on foreign imports and the surtax on inward and outward transit dues, as well as the kerosene oil tax, are abolished.
- (b) A  $2\frac{1}{2}$  per cent surtax is to be collected on exports, and a  $1\frac{1}{4}$  per cent surtax is leviable on native imports.
- (c) Chinese factory products are subject to a  $2\frac{1}{2}$  per cent surtax, *i.e.*, half the export duty leviable according to Customs regulations.

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\* For description of the origin, growth, activities, and tariffs of these Surtax and Oil Tax Bureaux, *vide* Wright: "China's Struggle for Tariff Autonomy, 1843-1938," pp. 605-623.

(d) Goods passing through the Native Customs under Maritime Customs control are to pay as surtax one-half of the amount of duty leviable in accordance with Native Customs tariffs, but such goods having paid surtax at one Native Custom House are exempted from further surtaxes.

(e) Articles hitherto exempted from surtaxes shall continue to enjoy the exemption granted to them.

4.—Copies of correspondence from the Minister of Finance and the Kuan-wu Shu on the enforcement of the new Tariff and the taking over of the Surtax Bureaux are appended for your information and guidance.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

國民政府財政部令第一八三三號

令總稅務司梅樂和

爲令遵事查海關進口稅稅則業奉

國民政府明令公布並定自十八年二月一日實行在案自二月一日起內地稅局向所徵收之二五附稅煤油特稅局向所徵收之煤油特稅即行停止徵收歸併海關辦理其由各該稅收指撥第一次及續發江海關二五庫券還本付息之基金及善後公債還本付息之基金應即照各該券及該公債還本付息表所規定數目自二月分起按月由該總稅務司由增收關稅項下儘先逕撥該會除函江海關二五庫券基金保管委員會外仰即遵照此令表三分附發

計開

中華民國十八年一月十六日

國民政府財政部令第一八三四號

令總稅務司梅樂和

爲令遵事查海關進口稅稅則業奉

國民政府明令公布並定自十八年二月一日實行在案自二月一日起內地稅局向所徵收之二五附稅即行停止徵收歸併海關辦理其由該稅收指撥津海關二五庫券還本付息之基金應即照該券還本付息表所規定自二月份起按月由該總稅務司由增收關稅項下儘先逕撥該會除函津海關二五庫券基金保管委員會查照外仰即遵照此令表一份附發

計開表一份

中華民國十八年一月十九日

## 財政部關務署訓令第九一號

令代理總稅務司易純士

爲令知事查中華民國海關進口稅則業奉

國民政府明令公布自十八年二月一日施行在案依此規定凡在十八年二月一日及是日以後進口貨物到達各口即適用該稅則徵稅除令行各海關監督布告中外商民一體知悉並轉飭各該關稅務司遵照辦理外合行令仰該代理總稅務司遵照辦理此令

中華民國十七年十二月二十六日

國民政府財政部關務署代電第二號

上海江海關轉梅總稅務司覽本年二月一日新稅則實行之日起所有各口內地稅局應即撤銷其原有事務歸併海常關分別辦理業經通令各口內地稅局將經徵海關附稅及五內常關附稅事務蕪湖常關除外限於本年二月一日以前辦理結束並將各項文卷簿冊移交各該關稅務司接收辦理在案此項內地稅即附稅應自二月一日起由各該關稅務司按照下列徵免辦法分別辦理

一、洋貨進口二五附稅與奢侈品稅以及洋土貨子口附稅概行免徵

二、土貨出口二五附稅與復進口一、二五附稅應仍照徵

三、機製洋式貨物除照向章規定之稅則完納出口正稅外應仍照徵二五附稅一道

四、五內常關應徵附稅其稅率概照所徵常稅折半徵收

五、凡已報由常關徵收附稅之貨物經過其他常關時不得再徵同一之稅項

六、所有呈准免稅之品前經令局遵照有案者應仍查照原案辦理

仰即遵照迅電各關一體辦理並將接收辦理情形具報爲要署長張福運養印

中華民國十八年一月二十二日

## CIRCULAR No. 3855 (SECOND SERIES).

**Revenue and Loans Office: establishment of, and appointment of  
Mr. A. J. Commijs as Financial Secretary (Commissioner)  
in charge of, notifying; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *1st February 1929.*

SIR,

1.—In order to centralise and co-ordinate more easily all operations connected with the final accounting for and disposal of the revenue collected by the Customs, I have decided to combine in one office all the former Peping and Shanghai offices hitherto concerned with checking, accounting for, and disposal of the revenue remitted from the ports. This fusion will affect the following offices:—

- (a) The Revenue Chief Accountant's Office, formerly at Peping;
- (b) The National Loans Consolidated Debt Office,\* also formerly at Peping; and those operations of
- (c) The Revenue Accountant's Office at Shanghai hitherto entrusted to it in connexion with the banking of the net remitted revenue and the service of all the foreign and domestic obligations secured on the Customs revenue and its surplus.

2.—In view of the great responsibility involved, and of the cardinal importance of this revenue and loans work, I have decided, with the approval of the Kuan-wu Shu, to entrust the control of this new office to an Inspectorate Secretary of Commissioner's standing, who shall be known as the Financial Secretary, and who shall have to assist and understudy him two Assistant Secretaries of Deputy Commissioner's rank, one being Chinese and the other, for the present, a foreigner. To fill the post of Financial Secretary

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\* *Antea*, footnote to I.G. Cir. No. 3749, vol. iv, p. 117.

I have selected Mr. A. J. Commijs,\* who has for many years so ably supervised the varied financial interests and activities of the Shanghai Revenue Accountant's Office.

3.—As many of the duties of this Revenue and Loans Office will bring it constantly and directly into contact with all the large Shanghai banks and with some of the more important commercial firms, all of which have their offices in the business section of Shanghai, it is apparent that the most natural and convenient place for this Revenue and Loans Office will be in the Shanghai Custom House.

4.—I have accordingly to request you from receipt of this Circular to send direct to the address of the Financial Secretary, Revenue and Loans Office, Custom House, Shanghai, all Reports on Collection and Remittance, [B.—6], both English and Chinese versions, and Reports on Dues and Duties, [B.—8], as well as any memoranda and semi-official correspondence dealing solely and specifically with revenue matters. Formal despatches, however, on any question connected with the collecting and disposal of the revenue are to continue to be addressed to me at the Shanghai Office of the Inspectorate, 21, Hart Road, Shanghai.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* Abraham Johannes Commijs was born on the 27th July 1876 at Amsterdam, Netherlands, and entered the Customs Service on the 8th August 1897 as 4th Assistant, B. He served in succession at Kowloon, Nanking (studying Chinese), Hangchow, Shanghai (where for a little over two years—September 1902 to November 1904—he was attached to the branch office of the Inspectorate then functioning there under the Deputy Inspector General), and subsequently for three and a half years at the Shanghai Custom House. In June 1908 he was transferred to the Inspectorate at Peking, where he remained till September 1910 in the capacity of Assistant Private Secretary to the Inspector General. Later he served at Tientsin, Harbin, and Mengtsz before being transferred in April 1921 to Shanghai, where he remained till his death on the 27th July 1931. Mr. Commijs, who had been in charge of the Revenue Office at Shanghai since April 1921, was promoted Commissioner as Financial Secretary on the 1st February 1929 and given charge, as indicated in the Circular, of all revenue and loans work. Mr. Commijs held the Order of the Chia Ho, 5th, 4th, and 3rd Classes, and Double Dragon, 3rd Division, 2nd Class. He acted as Secretary to the Chinese Commission at the Hague Opium Conference in 1911-12.

## CIRCULAR No. 3856 (SECOND SERIES).

**Inspectorate General of Customs: opening of Head Office of,  
at Nanking notified.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *2nd February 1929.*

SIR,

With reference to Circular No. 3822, Second Series, in which you were notified of the removal of the Inspectorate General from Peking and the institution of the Shanghai Office of the Inspectorate General of Customs, I have now to inform you that on the 1st February 1929 the Head Office of the Inspectorate in Nanking was opened by Mr. W. O. Law,\* who has been appointed Chief Secretary, Additional (Commissioner), in charge of the establishment.

The Head Office for the time being will function to a large extent as *liaison* office between the Inspectorate in Shanghai and the Nationalist Government until such time as it will be possible to combine both offices in the capital.

Meanwhile you are requested to continue to address all correspondence to Shanghai.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* Wyndham Ogilvie Law was born on the 25th September 1882 at London, and, after education at Merchant Tailors' School, joined the Customs Service on the 21st June 1905 as 4th Assistant, C. After serving at Amoy for a few months and at Peking for two and a half years, Mr. Law was given short leave and accompanied Sir Robert Hart in the spring of 1908 to England. On return Mr. Law served successively at Shanghai, Wuchow, Changsha, Antung (twice), Wuhu, Tientsin, Ichang, Lungkow, London, and once more at Shanghai before being transferred to Canton, where he was placed in charge of the Canton Native Customs, and on the 1st April 1924 promoted Deputy Commissioner. From May to the end of September that year he was in charge of the port of Canton, after which he served at Harbin for two years and at Kowloon for eight months. While serving as Deputy Commissioner in charge of the Postal Parcels Office at Shanghai he was in January 1929 promoted Commissioner and appointed Chief Secretary (additional) in the Inspectorate at Nanking, a post which he held till the 6th October 1930 when he was granted sick leave and was finally invalided from the Service on the 31st March 1931. From the 16th May to 31st December 1938 Mr. Law filled the post of Non-Resident Secretary in the London Office.

## CIRCULAR No. 3857 (SECOND SERIES).

Customs Service Travelling Scholarships for Chinese Assistants and Clerks: institution of scheme: examination (1929);  
I.G.'s instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 4th February 1929.

SIR,

Copy of Kuan-wu Shu despatch No. 38 is appended for your guidance, and from it you will see that the Government has decided to institute Customs Service Travelling Scholarships for Chinese Assistants and Clerks and has arranged a system of examination for the same.\*

The object of these scholarships is to afford the beneficiaries an opportunity of going abroad to study Customs administration and methods in other countries, and thus to build up in the Service a body of men who, in addition to their knowledge of Customs work in China, will also have some practical acquaintance with Customs tariff and procedure in the leading countries of the world.

The necessary details regarding these scholarships will be found in the appended Kuan-wu Shu Regulations, of which an abstract in English is also supplied. The date limit of the written examination, which, as you will see from the above Kuan-wu Shu despatch, was originally fixed to be completed by 20th January this year, has, under sanction of the Kuan-wu Shu, been postponed somewhat later. I have now to request you—

- (1) To post this Circular in your Order Book; and, further, to hand a copy of it to every Assistant and Clerk on your staff who may be qualified under Rule 4 of the Kuan-wu Shu Regulations appended (*vide* also the Memorandum of Instructions regarding the holding of the written examination, (a)).

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\* These examinations for Travelling Scholarships were held regularly each year from 1929 to 1934 inclusive, in which latter year it was decided that the examinations should in future be held biennially (*vide* I.G. Cir. No. 4807). No examinations, however, were held in 1936 or 1938 (*vide* I.G. Cir. Nos. 5215 and 5643). In all, 24 travelling scholars have gone abroad under this scheme, and have carried out very thorough investigations into the Customs systems of all the leading countries of the world. A digest, in Chinese, of the reports submitted by these travelling scholars has been published by the Statistical Department of the Customs.



Sufficient copies of this Circular for the above purpose will be supplied to you by the Statistical Secretary.

- (2) To note that, with a view to dislocate office work as little as possible, the examination is to be held simultaneously at all ports on the last two Sundays in March, viz., 24th and 31st March.
- (3) Seeing that Chinese Officers in Charge, otherwise qualified, will be unable to take the examination on this occasion, special arrangements will be made for their sitting at the 1930 examination, should they desire to, and even though at that period they should have exceeded the age limit.

The President of the Customs College, who, as you will observe from the Kuan-wu Shu Regulations, is Chairman of the Examination Board, has been communicated with and has prepared the examination papers required for the written educational tests. These tests are being forwarded with this Circular, while an explanatory Memorandum of Instructions—to which your careful attention is drawn—as to holding the written examination is enclosed herein. You will note that under no circumstances are the parcels of examination tests, etc., to be opened until the first day appointed for the examination. The above parcels are being sent to all ports, and those ports at which no examination is held are carefully to observe section (k) of the Memorandum of Instructions as to return of parcels with contents in the original state to the Customs College.

It will be observed that Rule 1 of the Kuan-wu Shu Regulations requires an examination each autumn. The 1930 examination will therefore be held in the autumn of that year, the present examination, inaugurating this experiment, being held specially at the close of March.

Further, with reference to Rule No. 3 of the above regulations, although not explicitly stated therein, it should be clearly understood that the allowance of \$5,000 is intended to cover all the expenses to which the scholar will be put, including travelling expenses to and from the country in which he has elected to study. The said sum of \$5,000 will be paid in four instalments: the first, of \$1,500, on announcement of the winners; the second, of \$1,000, three months after date of departure of the winners for the country in which they intend to study; the third, of \$1,000, six months after date of departure; and the fourth, of \$1,500, nine months after date of departure.

The names of the eight examinees who, under Rule 9 of the Kuan-wu Shu Regulations, are to proceed to Nanking for the oral examination, will be telegraphed, where necessary, to the ports concerned, the general result of the written examination being notified to the ports in due course. Details regarding the travelling expenses of the above eight examinees will be dealt with by Audit Note.

An effort will be made so to arrange the subject matter of the 1930 examination that it may be completed on the one Sunday; possibly also it may be found feasible to concentrate the examination in certain of the larger centres: meantime it is hoped that Commissioners will lend their best efforts to ensure that this present examination—the first of its kind—shall be efficiently and satisfactorily conducted.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE No. 1.

國民政府財政部關務署訓令關字第三十八號

令代理總稅務司易執士

爲令遵事案查本署前爲培養海關人才起見業經根據選派出洋舊案草擬大綱令仰該代理總稅務司及稅務學校校長遵照辦理在案茲經查核原定名額應爲四人自應照案改正並另由署擬定簡章俾資遵守再此項考試限於十八年一月二十日以前辦理完竣勿稍延誤除已令行稅務學校校長遵辦外合行頒發新定簡章一份令仰遵照並迅飭各海關稅務司遵照辦理此令

中華民國十七年十一月三十日

署長 張福運

選派海關行政考察員簡章

第一條本署爲研究各國關政養成海關人材起見定於每年秋季就海關華班幫辦供事中考選四人派赴各國考察關政事宜名爲海關行政考察員

第二條考察員在外考察以一年爲期每三個月應編具報告一次詳記考察之日程及考察心得寄由總稅務司轉呈 關務署長核閱

第三條前項考察員每年每人給費五千元考察期內並准按月支領原薪

第四條與試考察員之資格應以海關華班幫辦供事服務海關四年以上曾在稅務專門學校或其他大學畢業得有文憑或證書而年齡在四十歲以下者爲合格

第五條考試要目爲（一）黨義（二）中英文（三）第二外國語（四）海關行政知識（五）文化史（六）商務地理（七）

普通知識（八）體格

第六條考試委員會以稅務學校校長一人並所聘教員三人及由總稅務司派員一人組織之以稅務學校校長爲委員會主席

第七條凡合于第四條規定資格之志願報考者應填具報名書二份呈繳所在關稅務司報名書式附後

第八條考試委員會於奉准舉行考試時即按照第五條規定考試要目分別命題交由總稅務司轉交各關稅務司同時舉行考試一俟考試完畢即將試卷巡送考試委員會評閱

第九條考試委員會于彙齊各關稅務司繳回前項試卷後應即開會評定錄取八名並另繕清單連同試卷呈報關務署由關務署長令總稅務司通知錄取各員來京口試

第十條凡錄取各員到京後應向關務署報到由關務署長定期邀同總稅務司舉行口試並參酌該員在海關服務之成績及品格選四人分派各國限期前往考察

第十一條凡經核選之考察員應行填具志願書聲明前往某國悉心考察關政不得營幹其他業務如對此項聲明書有所違悞或所具報告經關務署長或總稅務司認爲該員在外並未專心研究考察者即行撤銷其資格及考察費

第十二條本簡章如有未盡事宜得隨時修正之

## 選派海關行政考察員報名書

姓

名 (中文)  
(英文)

年

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貫

職

別

何年由稅務學校  
或其他大學畢業

初次奉委日期

曾在何關服務

任  
務  
性  
質甲 (總務)  
乙 (會計)  
丙 (稅務)  
丁 (秘書)  
戊 (五十里內常關)

以上所具是實並請准予投考本年選派海關行政考察員須至報名者

投考人

(簽名蓋章)

職  
別

中華民國

年

月

日

ENCLOSURE No. 2.  

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CHINESE CUSTOMS SERVICE TRAVELLING  
SCHOLARSHIPS.ENGLISH ABSTRACT OF REGULATIONS APPROVED  
BY KUAN-WU SHU.

1.—An examination will be held each autumn among Chinese Assistants and Clerks for the selection of four men who will be granted travelling scholarships.

2.—Scholarships will be held for one year. Holders of scholarships will send a quarterly report to the Inspector General for transmission to the Director General of the Kuan-wu Shu.

3.—Scholarships will amount to \$5,000 a year, holders of scholarships continuing to receive their monthly Customs salaries.

4.—Scholarships shall be tenable by Assistants and Clerks who have completed over four years' service and who are graduates of the Customs College or of a University, and who are under 40 years of age.

5.—The subjects of examination will be:—

- (1) Party doctrine (viz., *San Min Chu Yi*).
- (2) Chinese and English composition.
- (3) Another language.
- (4) Knowledge of Customs work.
- (5) History of civilisation.
- (6) Commercial geography.
- (7) General knowledge.
- (8) Physical fitness.

6.—The Examination Board will be composed of the President of the Customs College, three professors selected by him, and the representative of the Inspector General. The President of the Customs College will act as Chairman of the Board.

7.—Candidates who fulfil the requirements of Rule 4 shall send, through their Commissioners, an entrance application—*pro forma* attached.

8.—The Examination Board will set written tests based on the subjects specified in section 5. These will be sent to the Inspector General for transmission to the Commissioners concerned, and the candidates' replies are to be returned to the Board after the examination has been held.

9.—The Examination Board will select eight examinees after scrutiny of the candidates' replies and will submit their names to the Director General of the Kuan-wu Shu, who will instruct the Inspector General to order these men to proceed to Nanking for the oral examination.

10.—The oral examination will be held by the Director General of the Kuan-wu Shu and the Inspector General, who will select the four successful candidates.

11.—Successful candidates shall sign a declaration, stating the country in which they wish to study and pledging themselves to employ the scholarship solely for the purpose for which it is given. Any violation of this pledge will entail cancellation of the scholarship.

12.—Any of the above regulations is liable to alteration as circumstances may require.

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CHINESE CUSTOMS SERVICE TRAVELLING  
SCHOLARSHIPS.

### CANDIDATE'S APPLICATION FORM.

|  |  |             |
|--|--|-------------|
| Name   | [ Chinese. ]   | [ English ] |
| Native Place   |  |             |
| Age  |  |             |
| Rank   |  |             |
| Date of Graduation at Customs College or of a University |  |             |
| Date of First Appointment                                |  |             |
| Ports served at  |  |             |
| Offices in which employed                                |  |             |
|  | [ General Office, Accounts; Returns; Secretariat; Native Customs, etc. ] |             |

I certify that the above is a true statement, and I request permission to present myself as a candidate for one of the scholarships to be awarded this year.

(Signature) . . . . .

(Rank) . . . . .

19 ..

Certified correct:

*Commissioner.*



## ENCLOSURE No. 3.

CHINESE CUSTOMS SERVICE TRAVELLING  
SCHOLARSHIPS.MEMORANDUM OF INSTRUCTIONS RE THE HOLDING OF  
THE WRITTEN EXAMINATION, 1929.

(a) Some days prior to the examination the Chinese application forms (supplied with each Circular) for candidates from each office are to be filled in (in duplicate), care being taken to see that each candidate is under 40 years of age, has at least four years' active service to his credit, and complies with the other requirements (*vide* Rule 4 of the Kuan-wu Shu Regulations). Particulars in application forms must be certified to by the port Commissioner. The qualification as to graduation from a university—the name of which should be stated—strictly refers to such institutions in China as the Yen-ching University (燕京大學), Tsing-hua College (清華大學), St. John's University, Nanking University, etc., or such foreign institutions as Oxford, Cambridge, London, Harvard, Yale, Princeton, Paris, Berlin, Tokio, etc. This qualification is, on this occasion, to be interpreted as liberally as possible, bearing in mind that middle schools do not come within its scope and that graduation means the possession of a diploma for a degree or its equivalent. The decision as to the credentials for qualification for entry will be left to the port Commissioner. The Examination Board will, however, prior to examining the actual replies of examinees to the tests set, scrutinise all examinees' credentials for entry and will cancel such as it considers to be unsuitable.

(b) The examination is to be held on Sunday, the 24th March, and on Sunday, the 31st March.

(c) The examination is to be conducted under the personal supervision of the Commissioner or officer in charge at the smaller ports; at the larger and medium ports the Commissioner is authorised to delegate a competent officer for the purpose.

(d) The following is the schedule of order of examination:—

*Sunday, 24th March.*

- |                         |  |
|-------------------------|--|
| 9 a.m. to 11 a.m. . . . | Party doctrine ( <i>San Min Chu Yi</i> ).  |
| 11.15 a.m. to 1.30 p.m. | General knowledge.   |
| 2.30 p.m. to 5.30 p.m.  | Compositions: (a) Chinese,<br>(b) English. (Each section<br>one and a half hours). |

*Sunday, 31st March.*

- 8 a.m. to 10 a.m. . . . Knowledge of Customs work.  
 10.15 a.m. to 12.15 p.m. History of civilisation.  
 2 p.m. to 4 p.m. . . . Commercial geography.  
 4.15 p.m. to 6.15 p.m. . A second foreign language  
 (optional, see following  
 note).

*N.B.*—The original time-table (in Chinese) was, in the first instance, framed (after one postponement) for the examination to take place from the 25th to 28th February 1929 inclusive. It is now discarded in favour of the above schedule. The subject order remains as originally arranged, but the time allotted for each subject has been changed from three to two hours (excepting in the case of general knowledge and Chinese and English composition). Further, it is carefully to be noted that examination in the second foreign language is, on this occasion, *entirely optional with the candidate and that the candidate will not be examined in such second foreign language if he elects not to take the examination therein*. If, on the other hand, a candidate elects to be examined in a second foreign language, he will be given his choice of Japanese, German, Russian, or French (tests supplied in parcels from Customs College (*f*)). The attention of candidates should be drawn to the above.

(*e*) Under no circumstances may the time allowed for each examination test, as provided for under (*d*), be exceeded.

(*f*) Each port will be supplied with a parcel, made up at the Customs College, within which will be found the necessary examination tests in sealed envelopes. A supply of specially prepared Chinese and foreign paper, upon which the examinees' replies are to be given, is also provided in the above parcel.

(*g*) The parcels of examination tests, etc., are not to be opened until the first day appointed for the examination.

(*h*) Examinees may not leave the examination room during the period of examination unless, having completed their work, they desire to hand in their papers to the supervising officer.

(*i*) Examinees' replies are not to be marked in any way at the ports and are to be kept under the Commissioner's lock and key. Each set of replies for a certain subject is to be packed in one parcel, sealed with the Commissioner's seal, and headed with the name of the subject in point.

(j) At the close of each examination day the various parcels as specified under (i) above are immediately after the examination to be placed in one registered cover and posted to—

THE PRESIDENT,

CUSTOMS COLLEGE,

PEPING, HOPEI.

The words "Travelling Scholarship Examination" should appear in the lower left-hand corner. A memorandum to the same address specifying that the examination has been duly held, giving a list of the examinees who sat for the examination and remarking on any special features of it should be enclosed in the same cover as the examinees' replies. At ports where no examination was held a memorandum to that effect should be sent to the address above given. The application forms for the various candidates (see (a)) must be enclosed in the parcel of replies for the examination held on the 24th March.

(k) At those ports where no examination is held the entire parcel from the Customs College, with contents in the original state, is to be returned to the President of the Customs College, Peking. Similarly, tests in excess of requirements are to be returned to the above address. Examination tests used by examinees are not required back.

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CIRCULAR No. 3873 (SECOND SERIES).

**Chinese Customs Service: reorganisation of, based on principle of equality between Chinese and foreigners, instructions concerning; I.G.'s appreciation of valuable services rendered by Chinese staff, conveying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 14th March 1929.

SIR,

1.—On the 18th and 19th January 1929 a Commission met at Nanking, by order of the Director General of the Kuan-wu Shu, to discuss a revision of Service regulations affecting the Staff in general and to submit resolutions with regard more especially to the conditions governing the employment of Chinese. The Commission was composed of Mr. Hsieh P'in (謝冰), Secretary of the Shu

(關務署秘書) and Chairman of the Commission, Mr. Wu Ching (吳競), Chief of Customs Administration Department of the Shu (關政科科長), and Mr. Ting Kwei Tang\* (丁貴堂), Acting Assistant Chinese Secretary (additional) (Acting Deputy Commissioner), appointed by the Director General of the Kuan-wu Shu, and of Mr. L. de Luca,† Staff Secretary, and Mr. W. R. Myers,‡ Shanghai Commissioner, temporarily, appointed by myself.

2.—The resolutions submitted by the Commission, having received the sanction of the Minister of Finance, have been transmitted to me under cover of Kuan-wu Shu despatch No. 306, copy of which is appended, and I now communicate them to the Staff, with an English version attached, adding hereunder such explanations and instructions as are necessary.

3.—Resolutions Nos. 1 and 2 call for no special comments, but it should be understood that the proposals therein contained will be carried out gradually and with due regard to Service

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\* *Antea*, vol. iii, p. 635 (footnote).

† Luigi de Luca, son of Ferdinando de Luca, Italian Minister to China, 1880–89, was born on the 8th October 1875 at Naples and educated at the University of Rome, where he graduated LL.D. in July 1898. He joined the Customs Service on the 18th October that year as 4th Assistant, B. After a few weeks at Shanghai he was transferred to the Inspectorate, to which office he was attached till the close of 1900. He then served a year and a half at Chinkiang and five years at Shanghai. On return from long leave he was, after nine months at Tientsin, transferred to the Inspectorate at Peking, where he remained for four years in the capacity first of Assistant Private Secretary and later of Assistant Staff Secretary. Then followed eight months at Mengtsz as Acting Commissioner. In April 1917 he was promoted Deputy Commissioner, being at that time stationed at Shanghai. From April 1920 to April 1923 he was again at the Inspectorate at Peking in the capacity of Staff Secretary, and here in October 1920 he was promoted Commissioner. From April 1924 to November 1928 he held the position of Statistical Secretary, and on the removal of the Inspectorate from Peking to Shanghai resumed duty once more as Staff Secretary. He closed his 35 years of service with a three year tenure of the Tientsin Commissionership and retired on the 17th October 1933. While on leave in 1923 Mr. de Luca was appointed, and served as, Co-Delegate to the Geneva Conference on Customs Formalities. That his eminent services have been highly appreciated both by the Chinese and the Italian Governments is evidenced by the fact that the former have conferred on him the Order of the Chia Ho, 4th, 3rd, and 2nd Classes; the Order of the Brilliant Jade with White Cravat; and the Customs Gold Medal for Meritorious Services; while the latter have honoured him with the Order of the Crown of Italy, Chevalier, Officer, and Commandeur ranks. Mr. de Luca holds also the China Expedition Medal, 1900, issued by the Italian Government.

‡ William Robertson Myers was born on the 9th December 1883 at Takow, Formosa, and joined the Customs Service in November 1904 as 4th Assistant, C. He was promoted Deputy Commissioner in April 1924, having in the interim served at Foochow (three times), Swatow, Mengtsz, Harbin (twice), and Santuao. He served subsequently at Wuhu, where he was in charge of the Native Customs, and at Shanghai, where in April 1928 he was promoted Commissioner (additional), taking over charge of the port in January 1929 on the appointment of Sir Frederick Maze to the post of Inspector General. From May 1931 to April 1934 he was Commissioner in charge of Tsingtao, and on return from long leave was in charge of Hankow from April 1935 to September 1936, in which latter month he was transferred as Commissioner to Tientsin, a post he still (1939) holds in the face of unprecedented difficulties and sweeping political changes.

requirements and the maintenance of an adequate balance of Staff between Chinese and foreign employees. The gradual withdrawal of foreigners without being replaced by new foreign employees will naturally place greater responsibility upon the Chinese employees, but the process, though continuous, will necessarily be slow and guided by considerations of fairness to the Administration as well as to individual members of the Service.

4.—With regard to Resolution No. 3, (b) and (c), you are to note that in future the pay of foreign employees in the In-door Staff of the Revenue Department is to be divided into two component parts: substantive pay, which is the same as that issuable to Chinese Commissioners and Deputy Commissioners (*vide* Resolution No. 3, (c)) and to Chinese Assistants (*vide* Circular No. 3704), and a special allowance, to be henceforth called "Expatriation Allowance," representing the difference between the pay issuable under the new rule and that issuable under the provisions of Circular No. 3314—*e.g.*, a foreign Deputy Commissioner's pay will be in future *Hk.Tls.* 550 (substantive pay) plus *Hk.Tls.* 150 (expatriation allowance) a month; a foreign Chief Assistant, A, will receive *Hk.Tls.* 480 plus *Hk.Tls.* 120, and so forth. As you will note, this expatriation allowance is also to be taken as a basis for calculation of retiring allowances and pension benefits, 6 per cent of the combined total being deducted, therefore, as contribution to the Superannuation and Retirement Fund.

5.—The grade B having been abolished for each rank of Chinese Tidewaiters in paragraph (e) of Resolution No. 3, it has been necessary to readjust the classification and scale of pay for Service-Listed employees in the Out-door Staff of the Revenue Department. The classification and scale of pay, which are henceforth applicable to Chinese and foreign employees alike, are outlined in this paragraph of Resolution No. 3, and you will note that an expatriation allowance is to be issued to the foreign employees in accordance with the principles laid down in paragraph (b) of the same resolution. With regard to Chinese Tidewaiters, the abolition of grade B has necessitated a readjustment of this class of employees, which will be notified to the Service in a separate Circular.

6.—Paragraph (f) of Resolution No. 3 deals with the pay of the Chinese Miscellaneous Out-door Staff. These employees are to continue to receive the pay sanctioned for each port by special despatches in 1926, but with the following modifications. The maximum pay attainable in each class is to be increased by graduated promotions until it becomes higher than the present maximum by \$15 to \$20. Wherever feasible, and more especially

during the lower stages of the scale of pay, increases in pay are to be annual instead of biennial, but care must be taken that the maximum rate of pay is not reached before completion of at least 25 years' service. You are therefore to readjust the scale of pay in force at your port for the Chinese Out-door Miscellaneous employees in accordance with these new rules and to submit the proposed new scale to me for approval. At the same time you are to submit such recommendations, as may be necessitated by local conditions, for the issue of a special local allowance to these employees in order to meet the economic conditions ruling at your port. At those ports where special local allowances have already been granted, further increases in this respect are not to be recommended unless they are fully justified by existing circumstances. Furthermore, recommendations on the above lines are to be made by the Coast Inspector and the Engineer-in-Chief for similar employees whose names appear on their pay sheets. Lastly, the local allowance, when sanctioned, will be included also in the annual gratuities and pension benefits issued to Chinese non-Service-Listed employees.

7.—Another reclassification, that of Chinese Clerks, has become necessary by the abolition of the grade C in their ranks, advocated in paragraph (g) of Resolution No. 3. While on the one hand the maximum pay issuable, under the provisions of Circular No. 3704, had to be maintained, on the other hand it was necessary to provide for increases in the other grades of the scale and to revise the existing ranks so as not to affect the period of service normally to be served before attaining the maximum scale of pay. The new classification, therefore, will be as follows:—

| CLASS.                        | MONTHLY PAY.    |
|-------------------------------|-----------------|
|                               | <i>Hk. Tls.</i> |
| Principal Clerk, A . . . . .  | 350             |
| " " B . . . . .               | 300             |
| Chief Clerk, A . . . . .      | 270             |
| " " B . . . . .               | 240             |
| First " A . . . . .           | 215             |
| " " B . . . . .               | 190             |
| Second " A . . . . .          | 170             |
| " " B . . . . .               | 150             |
| Third " A . . . . .           | 130             |
| " " B . . . . .               | 115             |
| Fourth " A . . . . .          | 100             |
| " " B . . . . .               | 85              |
| Hsüeh-hsi-yüan . . . . .      | 70              |
| Probationary Clerks . . . . . | 60              |

A separate Circular will be issued in due course indicating how the Chinese Clerks have been reorganised in accordance with the above new classification.

8.—Resolution No. 4 advocates biennial promotions for foreign and Chinese employees. These promotions, however, are by no means automatic, it being specifically stated that they are to be given only to those who merit them. In other words, while every deserving employee may look forward to a promotion every two years, less deserving employees will have to wait for longer periods or even see their promotions stopped and themselves paid off under the provisions of Resolution No. 1. In this latter respect I am authorised to state that paying off with *pro rata* pension benefits will not be applicable to employees who through misconduct, breach of discipline, insubordination, or other grave fault compel me to dispense with their services, either by discharging or dismissing them, but only to those who, while endeavouring to perform their duties to the best of their ability, do not possess the necessary qualifications for attaining the higher ranks in the Service.

9.—Regarding the rent allowance issuable to all Service-Listed Chinese employees, as proposed in Resolution No. 5, I have to request you to examine carefully this question having regard to local conditions and to submit proposals concerning the rent allowances which, in your opinion, should be granted to the employees of the various categories, entitled to a rent allowance, serving at your port or in the Marine or Works Departments.

10.—With regard to Resolution No. 6, which places on a septennial basis for the issue of retiring allowances all Chinese employees who are entitled to retiring allowances, I have to request you to submit returns showing the conversion of the employees concerned from the decennial to the septennial basis in accordance with the instructions of Audit Note No. 47.

11.—You will note that Resolution No. 7 provides for the issue of the annual gratuity to all non-Service-Listed Chinese employees on completion of one year's service, with additional fractional amounts to those who have served for more than one but less than two years. This rule is to be put into force when the next annual gratuities are to be issued, with effect as from the last gratuity issued—that is to say, all employees who on the date of issue of the next gratuity have completed one year's service will be entitled to one month's gratuity, and all employees who have by that date served more than one year but less than two will be entitled to one month's gratuity plus a fraction for every month

served over the year; those who have served over two, but less than three, years and those who are completing their third year of service will receive two months' pay as gratuity; while those who already have received one or more gratuities will be entitled only to a gratuity of one month's pay.

12.—The principle established in Resolution No. 8, that the existing rules applicable to the foreign staff are to be adopted also for the Chinese staff, refers to the age limit in force in the case of foreign employees for either compulsory or voluntary retirement. Age limit is now made applicable also to Chinese employees, independently of the number of years served, and the necessary instructions for the carrying into effect of this resolution will be issued in due course.

13.—The leave terms conceded in Resolution No. 9 have been drawn up so as to comply more closely with the conditions of the Chinese staff in the Customs Service and maintain the same analogy between the Chinese In-door and Out-door Staff as exists between the foreign In-door and Out-door Staff. These terms, as approved by the Director General of the Kuan-wu Shu, are as follows:—

(a) Chinese Commissioners, Deputy Commissioners, Assistants, Service Clerks, and Writers:

Leave not exceeding 14 days in a year.

2 months' leave on full pay after 3 years.

3     "             "             "             "     4     "

4     "             "             "             "     5     "

6     "             "             "             "     6     " and over.

(b) All other Service-Listed employees in the Revenue Department, In-door Staff, and in the Marine and Works Departments:

Leave not exceeding 14 days in a year.

1 month's leave on full pay after 3 years.

2 months'     "             "             "     4     "

3     "             "             "             "     6     " and over.

(c) Chinese Chief Tidesurveyors and Chief Appraisers down to Boat Officers and Examiners, A (included):

Leave not exceeding 14 days in a year.

1 month's leave on full pay after 3 years.

2 months'     "             "             "     4     "

3     "             "             "             "     6     "

6     "             "             "             "     9     " and over.



- (d) Assistant Boat Officers, A, and Examiners, B, down to Probationary Tidewaiters:

Leave not exceeding 14 days in a year.

1 month's leave on full pay after 3 years.

2 months'       "       "       "       4       "

3       "       "       "       "       6       " and over.

- (e) Non-Service-Listed employees:

Leave not exceeding 20 days in a year.

Leave, however, can only be granted when Service requirements permit, and, in order not to dislocate Service arrangements and to allow for a certain number of Chinese employees to proceed on leave at reasonable intervals, it may be necessary eventually to establish fixed rules governing the granting of leave to Chinese employees corresponding to those now in force for the granting of leave to foreign employees.

14.—With regard to the refund of travelling expenses due to Chinese employees who have been granted Inspectorate leave, instructions will be issued in a separate Circular, which will deal also with the question of travelling expenses on transfer forming the subject of Resolution No. 12.

15.—Resolution No. 10 calls for no special comments, while the question of medical attendance for the Chinese staff, advocated in Resolution No. 11, is already under consideration (*vide* Circular No. 3827).

16.—Finally, I wish to state that it affords me much gratification to be associated with the above reforms, many of which were informally recommended by myself last year, and to announce that the Chinese members of the Customs Administration thus become eligible for positions of greater trust and responsibility, for which, in my opinion, they are fully qualified. I avail myself of the opportunity to place on record my high appreciation of the valuable—and in many cases distinguished—services rendered by the Chinese Staff, In-door and Out-door, in the past and to add that I am confident that their native ability and loyalty to the Service will prove equally valuable assets to China and to the Customs in the future.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE No. 1.

財政部關務署令第三〇六號 中華民國十八年二月二十七日

令總稅務司梅樂和

爲令遵事前據改善關制審查委員會呈送該會議決各案當由本署詳加核訂現已呈奉財政部長批准合行將該案令發該總稅務司遵照執行凡海關以前所有單行章程及習慣辦法如與該案有抵觸者並應一律改正仰卽遵照此令

附件改善關制審查會議決案摺一扣

財政部批准各案

(一) 停招洋員問題

此後海關除因特別情形需要專門人才而華員中一時無相當人選不得任用洋員由總稅務司呈請關務署長核准任用外不再招用洋員

對於現在在職華洋員中其有不堪繼續任用者應由總稅務司酌核在其未到退職年限以前將其辭退予以比例之養老金此項養老金所需之款項應由總稅務司呈請關務署長核准撥給

(二) 華洋人員職權平等問題

此後各稅務司職務應由總稅務司於可能範圍內儘量選擇合格華員呈請關務署轉呈財政部長派充並應由總稅務司按關務之需要儘量選派合格華員爲副稅務司以便養成稅務司之人才關

中華籍稽查員應與洋員同得升任稽查員以上各職缺其他各部分合格華員亦得與各該部分合格洋員享同等之機會

(三) 薪給問題

(甲) 此後修改薪率應以遞退百分率爲標準

(乙) 所有現在內外班高級華員之薪俸按現在之生活程度本國財政情形及比較其他各機關人員之待遇已屬優越暫時勿庸增加但爲華洋高級人員同等待遇起見應將洋員之薪格照華員現在之薪格改訂以昭一律但以洋員係屬客卿生活程度較高應酌予特別津貼惟其津貼數目及現訂薪俸數目兩項并計不得超過舊訂薪給之數其各該洋員應領慰勞金及養老金應准依照所領新訂之薪給及特別津貼之總數一併計算

所有海關海務科高級華洋人員之職責均關重要其原有待遇如有必須改善時應由總稅務司酌核定呈請關務署核准施行

(丙) 華洋副稅務司薪給每月關平銀五百五十兩稅務司初次薪給每月關平銀六百五十兩最高薪給每月關平銀七百兩其洋員應領之特別津貼應按照乙項規定辦理

(丁) 凡華洋代理人員在代理職務期內所領之津貼應一律待遇

(戊) 現在外班華籍稽查員中之乙級應即取銷以示與洋員同等推升之意所有外班華洋查驗人員之薪俸應重行釐訂如另表

此後所有外班華洋查驗職員之薪給應一律按照此次新訂之薪表支給但洋員得依本條乙項所規定之辦法發給特別津貼

(己) 下級華員之初次薪給仍暫照現行薪給表支給但其最高之薪給各按現行薪給表所列者增加十五元至二十元各項下級華員服務至少至第二十五年時方能支領各該級此項最高薪給并將各該級升級期限改爲一年其每年應加薪級若干應由總稅務司酌核規定并爲救濟各生活程度高貴口岸之下級華員起見應另行發給口岸津貼此項津貼之數目應由各該口岸稅務司就各該當地生活情形擬定數目呈請總稅務司核准發給所有下級華員每年應領之年底獎金及退職養老金應以各該員之薪給及口岸津貼兩項合併之總數計算

(庚) 現在稅務員各等中之丙級應即取銷另添四等甲乙級稅務員

#### (四) 華洋人員晉級期限問題

此後所有內外班華洋高級人員不得循照向例不論資勞按期進級如資勞卓著每二年得進一級其資格較高之關員中如有特別勞績或卓越才能應由總稅務司擇尤提升以示鼓勵

(五)口岸津貼問題

關於低級華員之口岸津貼已於第三條已項內規定其內外班高級華員口岸津貼應照房租津貼辦理由各口稅務司依照各該地方情形擬具相當數目呈請核定

(六)慰勞金問題

高級華洋人員之慰勞金應一律改爲每七年發給一次

(七)低級人員年底獎金問題

凡低級華員服務至一年期滿時始准領年底獎金一月如屆年終發給時其服務時間已逾一年者得將所多之期限按照比例並計發給

(八)退職年限問題

華員退職年限應按照現行洋員退職年限辦法一律辦理

(九)例假問題

(甲) 所有華員稅務司副稅務司幫辦及稅務員並漢文文牘員等每年得請不逾十四日之短期假服務滿三年得給予二個月之長期假滿四足年得給予三個月之長期假滿五足年得給予四個月之長期假滿六足年或六足年以上得給予六個月之長期假

(乙) 所有華籍校對員副校對員額外稅務員本口錄用稅務員漢文書記及核稅員等得請不逾十四日之短期假服務滿三足年得給予一個月之長期假滿四足年得給予二個月之長期假滿六足年或六足年以上得給予三個月之長期假

(丙) 信差郵差雜役等每年給予二十日之假期

(丁) 凡外班各級華員得比照內班所規定之辦法辦理

#### (十) 病假問題

凡內外班華洋人員如經海關醫生證明確係因病不克到關服務者得准予病假如其病假在三個月以內所有應領之薪給照舊支給如逾三個月而不及六個月者其所逾期限內應領薪給按半數支給如逾六個月仍未全愈不再支給薪俸是否應令按因病退職章程退職或繼續給予病假應由總稅務司酌核辦理

#### (十一) 醫藥問題

現在海關已籌備為華員及相當家屬設置醫生診治病症與洋員一律待遇

#### (十二) 調口旅費問題

華員調口待遇應按照現行洋員調口辦法辦理

## 外班華洋查驗人員薪俸表

試用稽查員

五十兩

四等稽查員

六十五兩

三等稽查員

八十兩

二等稽查員

九十五兩

一等稽查員

一百一十兩

超等稽查員

一百三十五兩

二等副驗貨員

一百三十五兩

二等副驗查員

一百六十兩

一等副驗貨員

一百六十兩

一等副驗查員

一百八十五兩

二等驗貨員

一百八十五兩

監查員

二百一十兩

一等驗貨員

二百一十兩

二等副驗查員

二百三十五兩

超等二級驗貨員

二百三十五兩

一等副監查員

二百六十兩

二等監查員

二百八十五兩

一等監查員

三百一十兩

總監查員

三百一十兩

超等驗估員

三百五十至五百五十兩

一等驗估員

三百五十至五百五十兩

超等驗估員

三百五十至五百五十兩

ENCLOSURE No. 2.

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ENGLISH VERSION OF RESOLUTIONS APPROVED BY  
THE MINISTRY OF FINANCE.

1. *Cessation of Recruiting for Foreigners.*—No foreign employee shall henceforth be appointed unless special circumstances requiring the engagement of technical experts who cannot be selected at the time from among Chinese employees demand such appointment. In such cases the Inspector General may engage foreign experts with the approval of the Director General of the Kuan-wu Shu.

Present Chinese and foreign employees who are unfit for continued employment in the Service shall be paid off by the Inspector General with *pro rata* pension benefits before they reach retirement age. The Inspector General shall request the Director General of the Kuan-wu Shu to authorise an appropriation for the purpose.

2. *Equal Status of Chinese and Foreigners.*—The Inspector General shall henceforth recommend as many qualified Chinese employees to the Kuan-wu Shu as possible for appointment as Commissioners and shall appoint as many qualified Chinese employees as possible as Deputy Commissioners in accordance with Service requirements and in order to train such employees for Commissioner's appointment. Chinese Tidewaiters shall become eligible for appointment to the same higher ranks as foreign Tidewaiters, and qualified Chinese employees in other branches of the Service shall be given an equal opportunity for higher appointment with qualified foreign employees in the same department.

3. *Pay.*—(a) Future revisions of scales of pay shall be made on the retrogressive principle.

(b) Considering the present standard of living and financial conditions in China, and in comparison with the treatment of employees in other Government offices, the scales of pay issued to both In-door and Out-door Chinese employees of higher rank in the Customs are very liberal and need not be increased for the present. In order to equalise the treatment of Chinese and foreign employees of higher rank, however, and for the sake of uniformity, the scales of pay of foreigners shall be revised in accordance with the existing scales of pay of Chinese employees, but as foreign employees are foreigners in the Chinese Government Service and their standard of living is comparatively higher, a special allowance shall be issued to them. The total amount of this allowance plus



pay issuable at present rates shall not, however, exceed the amount of pay issuable in accordance with the existing scales of pay and shall be taken as the basis for calculation of retiring allowances and superannuation benefits. Regarding the treatment of Chinese and foreign employees of higher rank in the Marine Department whose responsibility and work are very important, if any improvement is found necessary, the Inspector General shall submit suggestions to the Kuan-wu Shu for consideration and approval.

(c) The monthly pay issuable to Chinese or foreign Deputy Commissioners shall be *Hk.Tls.* 550; the initial pay of a Commissioner, Chinese or foreign, shall be *Hk.Tls.* 650 a month, and the maximum pay of a Commissioner, Chinese or foreign, shall be *Hk.Tls.* 700 a month. The special allowance issuable to foreign Deputy Commissioners and Commissioners shall be governed by the rule laid down in (b).

(d) Chinese and foreign employees holding acting appointments shall receive the same acting allowance.

(e) Grade B in the classification of Chinese Tidewaiters now in force shall be abolished forthwith in order to unify the rate of promotion of Chinese Tidewaiters with that of foreign Tidewaiters, and the scale of pay of the Chinese and foreign Out-door Staffs shall be revised as follows:—

| CLASS.   | MONTHLY PAY.   |
|--|----------------|
|  | <i>Hk.Tls.</i> |
| Probationary Tidewaiter . . . . .                      | 50             |
| 4th Class Tidewaiter . . . . .                         | 65             |
| 3rd " " . . . . .                                      | 80             |
| 2nd " " . . . . .                                      | 95             |
| 1st " " . . . . .                                      | 110            |
| Senior Tidewaiter and Assistant Examiner, B . .        | 135            |
| Assistant Boat Officer, B, and Assistant Examiner, A . | 160            |
| " " " A, and Examiner, B . . .                         | 185            |
| Boat Officer and Examiner, A . . . . .                 | 210            |
| Assistant Tidesurveyor, B, and Chief Examiner, B .     | 235            |
| " " A, " " A .   | 260            |
| Tidesurveyor, B, and Appraiser, B . . . . .            | 285            |
| " A, " A . . . . .                                     | 310            |
| Chief Tidesurveyor and Chief Appraiser . . . .         | 350-550        |

The pay of the Chinese and foreign Out-door Staffs shall be issued henceforth in accordance with the new scale, but the foreign Out-door Staff shall be entitled to special allowances as provided for under (b).

(f) The initial pay issuable to Chinese employees of lower rank shall not be increased for the present, but the maximum pay to be obtained after at least 25 years of service shall be increased by \$15 to \$20. Such employees shall receive annual increases of pay instead of biennial. The Inspector General shall draw up and put into force scales of pay accordingly. In order to assist Chinese lower-grade employees stationed at expensive ports, an appropriate port allowance shall be issued to such employees in accordance with recommendations from Commissioners, based on actual living conditions in such places. The total of the port allowance and pay issuable to such employees shall be taken as the basis for calculation of annual gratuity and superannuation benefits.

(g) Grade C of the present classification of Chinese Clerks shall be abolished forthwith, and the rank of 4th Clerk with A and B grades shall be introduced.

4. *Promotion Periods.*—Chinese and foreign employees of higher rank shall not receive regular promotions in future, independently of qualifications, as in the past. Employees whose qualifications are adequate shall receive biennial promotions, and special promotions shall be given by the Inspector General to senior employees who possess special merits or exceptional ability.

5. *Port Allowances.*—The port allowance issuable to lower employees is provided for in Resolution No. 3, (f). The port allowance issuable to In-door and Out-door Chinese employees of higher rank shall be in the nature of a rent allowance, to be issued according to the port Commissioner's recommendation, based on actual conditions prevailing at each port.

6. *Retiring Allowance.*—All Chinese employees of higher rank shall be placed on the septennial basis.

7. *Annual Gratuity issuable to Lower-grade Employees.*—The gratuity shall be issuable on completion of one year's service. If at the end of a year a lower-grade employee has served more than one year, he shall receive a fractional gratuity in addition to one full gratuity.

8. *Superannuation.*—The rules at present in force for the foreign staff shall be adopted for the Chinese staff.

9. *Leave.*—(a) Chinese Commissioners, Deputy Commissioners, Assistants, Service Clerks, and Writers shall be entitled to short leave not exceeding 14 days a year. After three years' service they shall be granted two months' long leave; after four years' service,

three months' long leave; after five years' service, four months' long leave; and after six years' service or over, six months' long leave.

(b) Chinese Proof-readers, Assistant Proof-readers, Supernumerary Clerks, Local Clerks, Copyists, and Ho-shui-yüan shall be entitled to short leave not exceeding 14 days a year. After three years' service they shall be granted one month's long leave; after four years' service, two months' long leave; and after six years' service or over, three months' long leave.

(c) Non-Service-Listed employees shall be entitled to leave not exceeding 20 days a year.

(d) Chinese employees in the Out-door Staff shall receive treatment comparable to that laid down for the In-door Staff.

10. *Sick Leave*.—Chinese and foreign In-door and Out-door employees, if duly certified as unfit for duty by Customs Medical Officer's Certificate, shall be granted sick leave to the extent of three months on full pay with extension of three months on half-pay. After six months' sick leave the employee concerned shall either be granted sick leave without pay or be invalided, according to the discretion of the Inspector General.

11. *Medical Attendance*.—The Customs authorities have already taken up the matter of providing medical attendance for Chinese employees and their families, as is done for foreign employees.

12. *Travelling Expenses on Transfer*.—The treatment in force for foreign employees shall be granted to Chinese employees.

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## SEMI-OFFICIAL CIRCULAR No. 57.

**Relations between Commissioners and Superintendents: action to be taken by Commissioners when in receipt of Ts'ai-chêng Pu or Kuan-wu Shu instructions, transmitted by the Superintendent before confirmation by the Inspector General.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 13th March 1929.

SIR,

The principles which should govern intercourse between Superintendents and Commissioners have been exhaustively dealt with in the earlier Circulars—notably No. 24 of 1873,\*—and the general precepts thus enunciated by Sir Robert Hart are as relevant to-day as when they were first written. And in regard to the established practice that Government instructions affecting Customs procedure shall be transmitted to Commissioners through the Inspector General, the Kuan-wu Shu has no intention to disturb this rule. The Shu points out, however, that in the event of the Superintendent receiving instructions from either the Ts'ai-chêng Pu or the Kuan-wu Shu before the corresponding instructions are obtained by the Commissioner, the latter, in cases of emergency, may act on the advance instructions received by the Superintendent—it being understood, of course, that similar instructions will be sent to the Inspector General. When such cases arise, the Commissioner concerned should advise the Inspector General accordingly. A copy of correspondence with the Shu on the subject is appended hereto for reference.

In regard to the issue of direct orders to Superintendents in connexion with Customs matters by local and/or *de facto* governments, the position, of course, becomes more delicate, and each such case must be dealt with on its merits. The Government cannot officially recognise the supersession of their supremacy by a provincial authority, and in the event of the Commissioner receiving instructions from a local government concerning Customs matters, transmitted through the Superintendent, he is to point out to the latter that, in view of the existence of the above principles—the application of which keep the Customs out of politics and thus help

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\* *Antea*, vol. i, pp. 311–324; *vide* also vol. i, pp. 303, 304, 487–490, vol. ii, p. 476, and vol. vi, p. 239.

to sustain China's credit, etc.,—he cannot act unless authorised by the Inspector General. But if such representations are not accepted and if official pressure is exercised, the Commissioner may be compelled to bend to *force majeure* in order to avoid a deadlock and undesirable friction with local authorities. It should be understood that our cardinal duty is the collection, custody, and remission of the revenue, and where this responsibility is challenged we must stand firm. But at the same time, when dealing with Chinese authorities we must always distinguish between what is essential and what is non-essential and shape our action accordingly; and it should also be remembered that where the Customs are solely dependent upon local governments for protection, etc., it is impossible to ignore completely the authority of such governments. It is essential, as you know, for us always to endeavour to preserve the Service from local interference calculated to weaken its character as a Central Government institution exercising international functions in the general interest of China as a whole, and, in order to achieve this and at the same time maintain amicable local relations, it may sometimes be expedient to observe the spirit rather than the letter of the law.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE.

財政部關務署令第一八八號 中華民國十八年一月三十日

令總稅務司梅樂和

爲令遵事查關於部署令行各關事項向係同時分令該總稅務司署及各該管關監督轉飭各該關稅務司遵照辦理各該稅務司奉到此項命令無論其爲該總稅務司署所轉行或該關監督所轉行即須遵辦乃在該前代理總稅務司易紘士任內迭據潮海關監督及廈門關監督呈稱潮海關稅務司古祿編廈門關稅務司畢尙對於各該監督所轉部署命令每因未接該代理總稅務司令知延不遵行而該潮海關稅務司并引該代理總稅務司指令內有呈准本署嗣後凡有奉行政府關於各口海關事件之命令均着由本代理總稅務司轉令各口稅務司遵照辦理不得稍有紊亂致礙固定程序爲要之語查本署對於該代理總稅務司未經發有此項命令如此故意藉詞延宕實屬妨礙政令之施行本應予以根究姑念該代理總稅務司業已令准辭職寬免置議合行令仰該總稅務司迅即令飭該潮海廈門兩關稅務司并通令各關稅務司嗣後對於部署命令一經該總稅務司或各該關監督轉知務即遵照辦理毋得稍有稽延致誤政令切切此令

呈 關務署第七七號

呈爲關於部署令行各關事項擬請於原則上按照向來辦法辦理具呈復請

鑒核事案奉

鈞署第一八八號令飭通令各關稅務司嗣後對於部署命令一經該總稅務司或各該關監督轉知務即遵照辦理毋得稍有稽延致誤政令等因奉此竊查各關稅務司奉到部署命令應遵照辦理在總稅務司並無何項疑義惟海關對於政府轉發之命令向來均有一定程序即凡有令行各關事項例由前稅務處一

面令行監督遵照一面令由總稅務司轉令各該關稅務司飭與監督接洽商辦如此辦理則各關稅務司凡事皆有案可稽自不至發生誤會總稅務司甚冀各關關務進行順適並監督及稅務司等能和衷共濟遵奉政府命令共同辦理國家事宜竊以此項凡關係海關事件由部署轉由總稅務司令關遵照之辦法似屬不無成效而按此原則施行自應由各關監督及稅務司遇事協商辦理例如

財政部或

鈞署行知各關之命令如先由監督接到令文在各關稅務司應即酌量情形或立刻轉呈總稅務司請示辦法或先行會同監督遵令辦理俟接奉總稅務司命令再行定案是否有當理合呈請

核示遵行謹呈

中華民國十八年二月七日

財政部關務署令第三三五號 中華民國十八年三月六日

令總稅務司梅樂和

呈一件關於部署令行各關事項擬請於原則上按照向來辦法辦理請鑒核由

呈悉查凡令行各關事項既向例由前稅務處一面令行監督遵照一面令由總稅務司轉令各該關稅務司飭與監督接洽商辦亦與部署現在辦理情形無甚差別監督與稅務司同屬奉行政府命令辦理各該關事務自應和衷共濟以期克盡厥職如該湖海廈門兩關稅務司之對於各該關轉行部署命令每因未接該總稅務司署令知延不遵辦情形實屬有違斯旨仍仰遵照本署第一八八號訓令通令各關稅務司一體遵辦如遇緊急事項稅務司尚未接到該總稅務司令知而關務署業已奉到部署命令在先一經該關監督轉知即應先行會同該關監督遵令辦理免誤政令是爲至要此令

## CIRCULAR No. 3884 (SECOND SERIES).

**Chinese Customs Service: reorganisation of, based on principle of equality between Chinese and foreigners: increased revenue appropriation to meet cost of; allocation of, between ports, notified.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 26th March 1929.

SIR,

With reference to Circular No. 3873:\*

Announcing the terms of the scheme for the betterment of the conditions of service of the Chinese staff:

I have now to inform you that, to meet the heavy additional expenditure which the scheme will entail, I have been authorised by the Ministry of Finance to increase the appropriation from the Foreign Revenue Collection for the maintenance of the Service by an annual sum of *Hk.Tls.* 1,105,000, or *Hk.Tls.* 276,250 per quarter.†

Appended hereto you will find a list of ports and the amount to be appropriated quarterly in each case over and above the appropriation already authorised as office allowance. Beginning from the 1st March 1929, you are to appropriate each quarter, either in one lump sum or in instalments, the amount allotted to your port and to treat it in your Service and Revenue Accounts in the same way as you do your present office allowance, but quoting this Circular as the authority for the increased appropriation. Your appropriation for the current June quarter will include the appropriation for the month of March.

At ports where the revenue collection is too small to admit of the appropriation being made locally in whole or in part, timely application is to be made in the usual manner for a supplementary grant from the Inspector General's Foreign Revenue Account.

In apportioning among the ports the increase now authorised, consideration has been given, not only to the estimated increase in expenditure occasioned by the Staff Betterment Scheme, but also to local financial requirements as evidenced by recent records of supplementary grants on the one hand and remittance of surplus funds on the other.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. iv, p. 174.

† For previous development of Office Allowance, *vide antea*, vol. ii, p. 1 (footnote).



## ENCLOSURE.

DISTRIBUTION OF REVENUE APPROPRIATION  
FOR STAFF BETTERMENT SCHEME.

| PORT.                     | NET AMOUNT<br>PER QUARTER. | PORT.                     | NET AMOUNT<br>PER QUARTER. |
|---------------------------|----------------------------|---------------------------|----------------------------|
|                           | <i>Hk.Tls.</i>             |                           | <i>Hk.Tls.</i>             |
| Inspectorate General..... | 27,600                     | Hangchow .....            | 2,000                      |
| Aigun .....               | —                          | Ningpo .....              | 3,000                      |
| Harbin .....              | 10,000                     | Wenchow .....             | 2,000                      |
| Hunchun .....             | 2,700                      | Santuaio .....            | 1,500                      |
| Antung .....              | 7,000                      | Foochow .....             | 6,450                      |
| Dairen .....              | 18,000                     | Amoy .....                | 6,750                      |
| Newchwang .....           | —                          | Swatow .....              | 5,000                      |
| Tientsin .....            | 44,000                     | Canton .....              | 21,000                     |
| Chefoo .....              | 3,000                      | Kowloon .....             | 13,000                     |
| Kiaochow .....            | 4,000                      | Lappa .....               | 3,000                      |
| Chungking .....           | —                          | Kongmoon .....            | 3,000                      |
| Ichang .....              | 2,000                      | Samshui .....             | 2,000                      |
| Shasi .....               | 1,000                      | Wuchow .....              | 4,000                      |
| Changsha .....            | —                          | Nanning .....             | 1,600                      |
| Yochow .....              | —                          | Kiungchow .....           | 3,150                      |
| Hankow .....              | 12,750                     | Pakhoi .....              | —                          |
| Kiukiang .....            | 2,000                      | Lungchow .....            | 900                        |
| Wuhu .....                | 4,000                      | Mengtsz .....             | 4,050                      |
| Nanking .....             | —                          | Szernao .....             | —                          |
| Chinkiang .....           | 1,000                      | Tengyueh .....            | 1,800                      |
| Shanghai .....            | 52,000                     |                           |                            |
| Soochow .....             | 1,000                      | TOTAL..... <i>Hk.Tls.</i> | 276,250                    |

## CIRCULAR No. 3899 (SECOND SERIES).

**Staff discipline: enforcement of, as necessary to efficiency, emphasised; rules *in re*, reiterated; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 22nd April 1929.

SIR,

1.—During the latter years of the Revolution the ancient discipline of the Service has been in some instances and in some places necessarily relaxed, and efficiency has suffered thereby. I am now authorised to instruct you to remind your staff that the Inspector General remains responsible to the Chinese Government for the good conduct and honesty of Customs employees and that breaches of discipline or disobedience of orders must not be overlooked in future. The Government throughout has treated the Customs *personnel* generously, and it naturally expects them to render useful and loyal service, to avoid participation in politics, and to abstain from action of any kind—either individual or collective—calculated to disturb the legitimate authority of their superiors or to interfere with the administration of the Service to which they belong. But it must be understood that members of the Staff must be granted facilities to present legitimate grievances through the proper channels.

2.—It is appropriate, therefore, for me to reiterate that among offences the following may be particularised:—

- (I) (a) Absence from duty without leave;
- (b) Being intoxicated when on duty;
- (c) Collusion with Customs brokers (or applicants) to the detriment of revenue interests;
- (d) Disobedience of legitimate orders or other forms of similar gross insubordination;
- (e) Prosecution for debt, etc.;
- (f) Gross immorality;
- (g) Malversation;
- (h) Persistent unpunctuality;
- (i) Unauthorised publication of office matters;
- (j) Being asleep on duty;
- (k) General incompetence;

- (II) (a) Disrespect towards superior officers;
- (b) Negligence;
- (c) General slackness in the performance of duties;
- (d) Uncleanliness and slovenliness in the care and wearing of uniform;
- (e) Criticism of superiors or of Government Service matters in the public Press, either in interviews or in personal contributions, or in addresses which are public or which may be or are communicated to the public;
- (f) Malingering.

The recognised punishment for the offences enumerated under (I) is dismissal or discharge, while offences under (II) are punishable by disrating, suspension from duty pending official inquiry, the placing of the offender's name at the bottom of his list, etc.; but it must be understood that the last offences, if repeated, will in that case be dealt with similarly to category (I). It should be clearly understood, therefore, that the enforcement of strict discipline and obedience to legitimate orders are measures which the Government is determined to support. This premised, I am instructed to state that your staff must shape their conduct and action accordingly, in the general interests of themselves and the Service; and I am to point out, furthermore, that, unless there is continuity of usefulness and loyalty, there can be no continuity of employment (*vide* copy of correspondence with the Kuan-wu Shu appended hereto).

A Chinese version of this Circular is appended hereto, and a copy of each version is to appear in your Order Book for the information and guidance of your staff. I may add that the draft has been seen and approved by the Director General of the Kuan-wu Shu.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

總稅務司通令第三八九九號

爲令遵事案奉

關務署令開查海關華洋服務人員之待遇較諸其他機關人員殊爲優越該員等自應勤慎從公嚴守紀律以期改善關政而增裕國課如其干犯紀律違背命令卽應按章懲辦以肅關章合行令仰該總稅務司知照並轉飭所屬一體遵照此令等因嗣又函奉

關務署長復函內開查海關職員待遇較其他政府機關爲優自宜各遵紀律無負職守函請整飭綱紀洵屬要圖所擬通令各節經加核閱亟應辦理執行時自當予以維持此復等因先後奉此查前此革命軍興時局未靖海關多年純良之紀律曾因種種關係有時不得不略示弛放而關員之能力及功用卽因之感受影響本總稅務司旣一再奉

關務署命令整飭紀綱改善關政關於所屬華洋人員之行爲及道德對

政府仍負全責並此後如有干犯紀律違背命令者卽應按章懲辦決不姑寬本總稅務司自當仰體

政府意旨力爲遵辦各關員須知

政府向來待遇海關關員旣極優異自深盼各關員之能以忠於職守而有用於海關此後各關員應避免參加政治運動並不得以個人或團體之任何行爲擾亂長官合法職權或干涉海關行政但關員中如有真正不平情事自當准予用相當手續呈請核奪再關於干犯紀律違背命令之處分海關本有定章茲爲各關員明瞭各項過失俾得便於避免違犯起見再將各種過失詳爲規定如下

甲(一)未經事先請假擅離職守者

(二)因飲酒過量於執行職務時發見醉態者

(三)與報關行或商人串同舞弊妨害稅收者

(四)違背合法命令或有其他相似之重大不服從行為者

(五)因債務等事而被控訴者

(六)有重大之不道德行為者

(七)貪贓勒索者

(八)長久不按時到班者

(九)未得長官許可擅自刊布關內事件者

(十)在執行職務時酣睡者

(十一)不稱職者

乙(一)輕視長官者

(二)疎忽職務者

(三)執行職務懶惰者

(四)身體不潔及制服襤褸者

(五)在報紙登載之談話或個人論文中或在向公衆演講及可達於公衆演講中有批評長官或政府機關事務者

(六)假報疾病規避役務者

凡違犯甲項各條之一者即分別輕重予以革職或辭退其初次違犯乙項各條之一者亦即分別輕重或降級或

停職候查或將其在職員錄中之姓名退列於本級之最末地位以示懲戒但如有再犯者其所受之處分應按違犯甲項各條之一者辦理所有以上關於整飭綱紀服從合法命令之辦法

政府已決定力予維持爲海關前途計及各關員個人利益計各關員等自應一體凜遵免干未便猶有告者各關員在關之職務本屬長久性質如各關員不能繼續忠於職守俾有用於海關則其職務卽無繼續之必要再者此次通令令文已經

關務署長核閱批准除將與

關署來往文函各抄發一份一併飭知查照外合行令仰各關稅務司知照並轉飭所屬一體凜遵無違此令

中華民國十八年四月二十二日

總稅務司梅樂和

財政部關務署令第三〇九號 中華民國十八年二月二十七日

令總稅務司梅樂和

爲令遵事查海關華洋服務人員之待遇較諸其他機關人員殊爲優越該員等自應勤慎從公嚴守紀律以期改善關政而增裕國課如其干犯紀律違背命令卽應按章懲辦以肅關章合行令仰該總稅務司知照並轉飭所屬一體遵照此令

總稅務司致 關務署函 中華民國十八年四月十八日

敬啓者查當革命時期國內各處工潮時起海關關員不免亦稍受影響維時以種種原因不得不將海關紀律略示弛放以免發生事端俾稅款得以繼續徵收現在革命成功邦基鞏固

國民政府亦經各國正式承認整飭綱紀實爲至要之圖所有海關固有之綱紀亦宜由此整飭以利關務況自此  
次改善待遇後各華員所處之境遇不但較諸曩日多所改良卽比諸其他政府機關人員亦屬頗爲優越且服務  
海關係爲終身職業尤非其他公務人員之動輒被裁者所可同日而語是各該關員從此更應恪遵紀律忠於厥  
職以仰副政府厚待之至意而保持國家最大之稅收否則綱紀廢弛弊竇叢生非止有礙海關行政之管理亦大  
有礙國家之稅收是以特擬頒發整飭綱紀通令以肅關政茲將所擬通令底稿送請

核閱卽乞

俯賜核准俾便頒行至將來執行此項通令時並懇

准予格外維持尤爲盼禱理合函請

鑒核示復祇遵此致

財政部關務署署長張

附通令底稿一件

關務署復函 中華民國十八年四月二十日

逕復者來函閱悉查海關職員待遇較其他政府機關爲優自宜各遵紀律無負職守函請整飭綱紀洵屬要圖所  
擬通令各節經加核閱亟應辦理執行時自當予以維持也此復

總稅務司梅

關務署長張福運

## CIRCULAR No. 3901 (SECOND SERIES).

**Sir Robert Hart: statue of, moved to new site on the Bund, Shanghai, notifying, and pictures of, circulating.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 26th April 1929.

SIR,

The recent widening of the Shanghai Bund in the vicinity of the new Harbour Office enabled the Shanghai Municipal Council to execute their original plan and place the Hart Monument on a conspicuous site on the Bund, opposite the Custom House. In their opinion, the surroundings there, being closely associated with Sir Robert Hart, invest the statue\* with a more personal and, therefore, a more effective appeal to the public. The "North-China Daily News" of the 21st February 1928 commented on the event as follows: "The large island site on which the statue of Sir Robert Hart rests is located in a central and prominent position on the Bund, and the Municipal Council is to be congratulated on the excellence of the arrangement, which represents a marked advance in civic and road improvements. The statue itself, which is unusually artistic, is seen to much greater advantage on the imposing new pedestal so skilfully designed by the Public Works Department; and the handsome bronze panels, on which the original inscription and the unique lists of honours are boldly engraved, have been executed in first-class style. The Great I.G.'s memorial has thus been provided with an environment and a setting worthy of the man who remains the most interesting foreign personality that ever figured in China, whose fame has spread to the four quarters of the globe, and whose romantic and illustrious career in the Far East is without a parallel."

As this is a matter of general interest to all members of the Service, Chinese and foreign, I circulate herewith pictures of the statue and bronze panels as they now appear; and extra copies of this Circular are provided for Customs libraries, etc.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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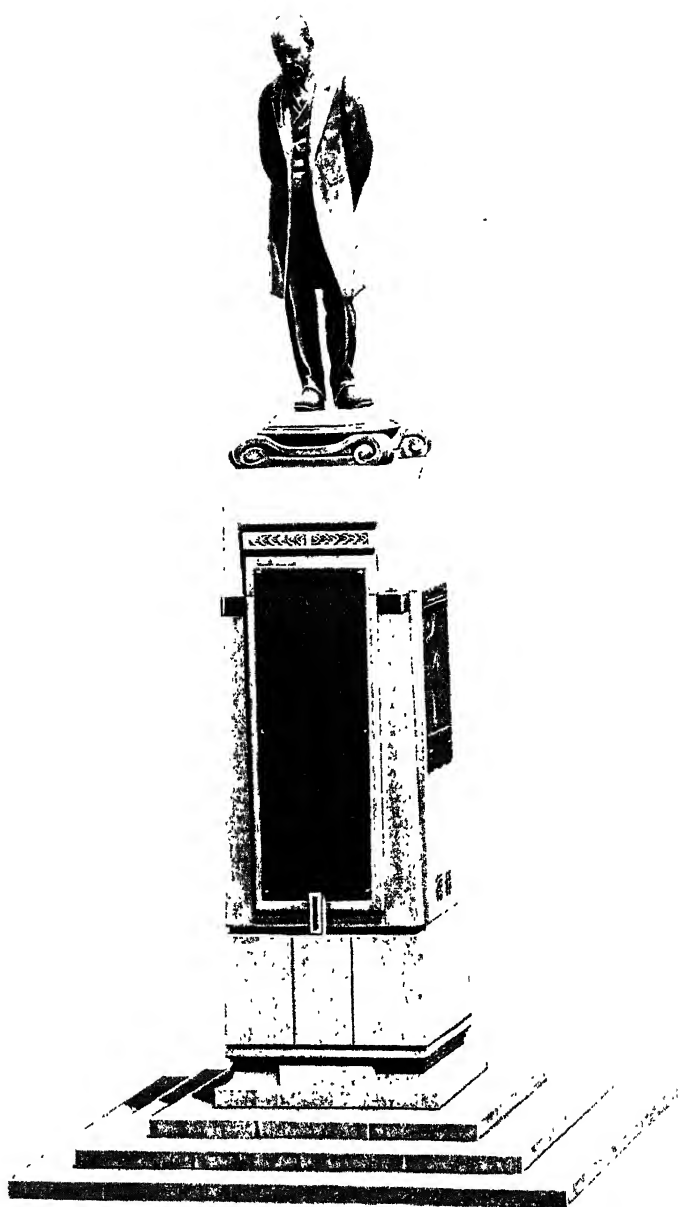
\* This statue was the work of the well-known sculptor, Mr. Henry Pegram, R.A. The cost, £1,700, was subscribed by members of the Customs and Postal Services and the Shanghai Municipal Council. When first erected on the 25th May 1914 it stood on The Bund lawn, immediately to the north of the Custom House.





STATUE OF SIR ROBERT HART.





SIR ROBERT HART, BARONET, G.C.M.G., M.A., LL.D., D.C.L.,  
GRAND GUARDIAN OF THE HEIR APPARENT OF CHINA,  
ETC., ETC., ETC.



# SIR ROBERT HART

BARONET G.C.M.G. M.A. LL.D. D.C.L.

GRAND GUARDIAN OF THE HEIR APPARENT OF CHINA

1835-1911

INSPECTOR GENERAL OF CHINESE MARITIME CUSTOMS

FOUNDER OF CHINESE Lighthouse SERVICE

ORGANIZER AND ADMINISTRATOR OF THE NATIONAL POST OFFICE

TRUSTED COUNSELLOR OF THE CHINESE GOVERNMENT

TRUE FRIEND OF THE CHINESE PEOPLE

MODEST PATIENT SAGACIOUS AND RESOLUTE

HE OVERCAME FORMIDABLE OBSTACLES AND  
ACCOMPLISHED A WORK OF GREAT BENEFICENCE  
FOR CHINA AND THE WORLD

前清太子太保尚書  
銜總稅務司英男爵  
赫君德字鷺賓生於  
道光乙未卒於宣統  
辛亥享選齡者七十  
七年綜閱權者四十  
八載創辦全國郵政  
建設沿海燈樓資於  
式於邦人備諮詢於  
政府誠懇忍智果  
明通立中華不朽之  
功膺世界非常之譽  
爰鑄銅像以誌不忘  
中華民國二年立

STATUE OF SIR ROBERT HART: BRONZE PANEL ON WEST FACE.



# SIR ROBERT HART

BARONET G.C.M.G. MA. LL.D. D.C.L.

GRAND GUARDIAN OF THE HEIR APPARENT OF CHINA.

BREVET TITLE OF PRESIDENT OF A BOARD.

ANCESTRAL RANK OF THE FIRST CLASS OF THE  
FIRST ORDER FOR THREE GENERATIONS  
WITH LETTERS PATENT.

RED BUTTON OF THE FIRST CLASS.

DOUBLE DRAGON SECOND DIVISION FIRST CLASS.  
THE PEACOCK'S FEATHER.

GRAND CROSS OF THE ORDER OF FRANCIS JOSEPH. AUSTRIA.

GRAND GORDON OF THE ORDER OF LEOPOLD. BELGIUM.

GRAND CROSS OF THE ORDER OF DANNEBROG. DENMARK.

GRAND OFFICER OF THE ORDER OF THE LEGION OF HONOUR. FRANCE.

GRAND CROSS OF THE DRAGON OF ANNAM.

COMMANDER OF THE ORDER OF PIUS IX. HOLY SEE.

GRAND CROSS OF THE ORDER OF THE CROWN OF ITALY.

ORDER OF THE RISING SUN FIRST CLASS. JAPAN.

GRAND CROSS OF THE ORDER OF ORANGE NASSAU. NETHERLANDS.

GRAND CROSS OF THE ORDER OF ST. OLAF. NORWAY.

GRAND CROSS OF THE ORDER OF CHRIST. PORTUGAL.

ORDER OF THE CROWN FIRST CLASS. PRUSSIA.

GRAND CROSS OF THE ORDER OF ST. ANNE. RUSSIA.

GRAND CROSS OF THE ORDER OF THE POLAR STAR. SWEDEN.

FREEDOM OF THE CITIES OF LONDON AND BELFAST AND OF  
THE BOROUGH OF TAUNTON 1908.

WAS GAZETTED H. B. M.'S ENVOY EXTRAORDINARY

AND MINISTER PLENIPOTENTIARY TO THE EMPEROR

OF CHINA AND ALSO TO THE KING OF KOREA 1885.

BUT DID NOT TAKE UP THE APPOINTMENT.







STATUE OF SIR ROBERT HART: BRONZE PANEL ON NORTH FACE.





STATUE OF SIR ROBERT HART: BRONZE PANEL ON SOUTH FACE.



## CIRCULAR No. 3935 (SECOND SERIES).

**Inspectorate General: Tariff Secretariat, creation of,  
notified; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 10th July 1929.

SIR,

1.—In order to be better equipped to deal with Tariff problems, which have increased in number and importance since the introduction of the new Tariff, to ensure greater uniformity in the classification and valuation of products at the ports, and to increase the efficiency of the examination and appraising staff of the Service, I have decided, with the approval of the Kuan-wu Shu, to create a Tariff Secretariat as a department of the Inspectorate General of Customs.

2.—In view of the great importance of the work concerned, the new department will be entrusted to an Inspectorate Secretary of Commissioner's rank, who shall be styled the Tariff Secretary. For the time being there will be under him an Assistant Tariff Secretary of Deputy Commissioner's rank, a Tariff Expert chosen from the ranks of present or past Chief Appraisers, a Stenographer, and two T'ingch'ai.

3.—I have selected, to function as Tariff Secretary, Mr. C. Bos,\* Commissioner, who has for the past two and a half years ably supervised the interests and activities of that very important branch of the Service, the Shanghai Appraising Department.

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\* Carlo Bos was born on the 7th April 1876 at Obersalzbrunn, Prussia. After leaving school he served for five years in the Italian Army, and came out to China with the Italian Expeditionary Force in 1900. In August of that year he joined the Customs Service at Shanghai as 3rd Class Tidewaiter. From January 1903 to March 1909 he served at Lungchow, and while there in July 1907 was transferred to the In-door Staff as 4th Assistant, C. He served subsequently at Foochow for three years, at Tientsin Native Customs for six years, and at Harbin for over a year. On return from long leave in October 1920 he was stationed at Hankow for a year, at Shasi for two and a half years, and then again at Hankow for a year and a half. He was promoted Deputy Commissioner while on leave in April 1926 and appointed to the Appraising Department, Shanghai, of which department he became Director in October that year. In December 1928 he was promoted Commissioner, and in July 1929 was chosen to be the first to fill the newly created post of Tariff Secretary, a post which he held till May 1932. In the following year he was Commissioner for six months at Amoy, after which he was transferred to Tientsin, where he remained as Commissioner till the 15th June 1935 when he retired. He died at Toronto, Canada, on the 27th December 1936.

4.—In view of the fact that the Shanghai Appraising Department, on account of its facilities and its accumulated experience, has in the past dealt with, and will in the future continue to deal with, questions that are of general interest, the Tariff Secretary will keep in close touch with that Department, which, however, remains essentially a branch of the Shanghai Customs under the Shanghai Commissioner.

5.—As the Shanghai Appraising Department and the National Tariff Commission have their offices in the Shanghai Custom House, with which organisations the Tariff Secretariat will necessarily have close connexion, the office of the latter establishment will also be located in the Shanghai Custom House.

6.—All questions regarding Tariff matters are to continue to be addressed to me at the Shanghai Office of the Inspectorate, No. 21, Hart Road.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## CIRCULAR No. 3940 (SECOND SERIES).

**Re-exports to Kiaochow: to be treated in the same way as shipments to other treaty ports; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 22nd July 1929.

SIR,

With reference to Circular No. 838 and subsequent Circulars:

Concerning issue of drawbacks to duty-paid foreign goods and coast trade duty-paid reimported native produce, if reshipped to Kiaochow:

I circulate, for your information and guidance, copy of Kuan-wu Shu despatch No. 897, from which you will see that, in order to simplify the procedure of collecting duties, the present practice of issuing drawbacks to duty-paid foreign goods and coast trade duty-paid native produce reshipped to Kiaochow is to cease and that re-exports to that port are in future to be treated in the same way as shipments to other treaty ports.

You are requested to act accordingly.

I am, etc.,

PERCY R. WALSHAM,\*  
*For Inspector General.*

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\* Percy Romilly Walsham, son of the late Sir John Walsham, Bart., H.B.M. Minister at Peking, 1885-92, was born on the 2nd March 1871, and after leaving Eton College was appointed on the 16th May 1894 to the Customs Service as 4th Assistant, B. He served first at Amoy, Shanghai, and Newchwang before being transferred to Peking, where from May 1896 to June 1899 he acted as Private Secretary to Sir Robert Hart. From July 1899 to April 1903 he was stationed at Kiukiang, and while there acted for some months as Assistant-in-Charge and later as Acting Deputy Commissioner in charge of the likin collectorate. He served subsequently at Ningpo for three years, at Santuao, where he was in charge for three and a half years, at Shanghai for a year, and at Tientsin Native Customs, of which office he was in charge, for four and a half years. While at Tientsin he was promoted Deputy Commissioner in November 1913. He remained on at Tientsin till the 15th October 1919, serving as Deputy Commissioner at the Maritime Customs. On return from long leave he had charge of Foochow for five years—October 1920 to October 1925. For six months he was Commissioner at Mengtsz, after which he held the Tsingtao Commissionership for two years. In April 1929 he was appointed to be Chief Secretary at the Inspectorate at Shanghai, a post which he held till the 31st March 1931. From the 1st April 1931 to March 1933 he held the post of Non-Resident Secretary in the London Office. His formal retirement from the Service had taken place on the 31st December 1929, but his services were specially retained. He died in London on the 22nd April 1933. Mr. Walsham held Civil Rank of the 4th Class and the Order of the Chia Ho, 4th Class, 3rd Class, and 3rd Class with Brilliants.



## ENCLOSURE.

財政部關務署訓令第八九七號 中華民國十八年七月十七日

令總稅務司梅樂和

爲令行事茲爲化簡徵稅手續起見凡屬貨物進口再運青島原訂由復出口海關退稅之辦法應即取消

此後各關遇有報運此項貨物即照貨物復出口運往其他口岸通例一律給予免稅憑單以利驗放毋庸

再行退稅仰即轉飭遵照辦理爲要此令

## CIRCULAR No. 3944 (SECOND SERIES).

**New Import Tariff: New Import Tariff Rule I and constitution of Tariff Board of Inquiry and Appeal, promulgated by Ministry of Finance, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 26th July 1929.

SIR,

I circulate, for your information and guidance, copy of Kuan-wu Shu despatches Nos. 607 and 903, from which you will see that Rule I\* of the former Import Tariff, providing, *inter alia*, for arbitration in cases of dispute regarding valuation of goods, etc., is abolished and a new rule is promulgated in which a Tariff Board of Inquiry and Appeal takes the place of the former Board of

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\* The text of this rule, as appended to the revised Import Tariff of 1902, was as follows:—

“Imports unenumerated in this Tariff will pay duty at the rate of 5 per cent *ad valorem*; and the value upon which duty is to be calculated shall be the market value of the goods in local currency. This market value when converted into Haikwan taels shall be considered to be 12 per cent higher than the amount upon which Duty is to be calculated.

If the goods have been sold before presentation to the Customs of the application to pay duty, the gross amount of the *bona fide* contract will be accepted as evidence of the market value. Should the goods have been sold on c. f. and i. terms, that is to say, without inclusion in the price of duty and other charges, such c. f. and i. price shall be taken as the value for duty-paying purposes without the deduction mentioned in the preceding paragraph.

If the goods have not been sold before presentation to the Customs of the application to pay duty, and should a dispute arise between Customs and importer regarding the value or classification of goods, the case will be referred to a board of arbitration composed as follows:—

An official of the Customs;

A merchant selected by the Consul of the importer; and

A merchant, differing in nationality from the importer, selected by the Senior Consul.

Questions regarding procedure, etc., which may arise during the sittings of the board shall be decided by the majority. The final finding of the majority of the board, which must be announced within fifteen days of the reference (not including holidays), will be binding upon both parties. Each of the two merchants on the board will be entitled to a fee of 10 Haikwan taels. Should the board sustain the Customs valuation, or, in the event of not sustaining that valuation, should it decide that the goods have been undervalued by the importer to the extent of not less than  $7\frac{1}{2}$  per cent, the importer will pay the fees; if otherwise, the fees will be paid by the Customs. Should the board decide that the correct value of the goods is 20 per cent (or more) higher than that upon which the importer originally claimed to pay duty, the Customs authorities may retain possession of the goods until full duty has been paid and may levy an additional duty equal to four times the duty sought to be evaded.

In all cases invoices, when available, must be produced if required by the Customs.”

Arbitration.\* An English version of the new rule and of the regulations governing the Tariff Board of Inquiry and Appeal is appended.

You are to act accordingly and, in consultation with the Superintendent, notify the public of these changes, omitting, however, that part dealing with the constitution of the new Board.

The Statistical Secretary is being instructed to print copies of the new rule, which, together with Rules II, III, and IV of the former Import Tariff, will be forwarded to you for insertion in the Customs Import Tariff and for free distribution to those who have already purchased copies of the Tariff.

I am, etc.,

PERCY R. WALSHAM,  
*For Inspector General.*

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\* This Board of Arbitration of the Revised Import Tariff of 1902, which placed a premium on consular intervention, and which from the point of view of Chinese representation was a regression from the arrangements sanctioned by the Tientsin treaties (British, Art. XLII; American, Art. XX; French, Art. XIX), ("Treaties, Conventions, etc., between China and Foreign States" (2nd Edition), vol. i, pp. 416, 722, 824), was obviously out of place in the new era of tariff autonomy. China, having regained her right of adjudication on all tariff matters (*vide* "Treaties and Agreements with and concerning China, 1919-29," pp. 233-273), could not be expected to leave to a board composed entirely of foreigners;—no matter how fair-minded they might be—the settlement of disputes arising from the application of the National Tariff. Hence the Tariff Board of Inquiry and Appeal, which since its inception has been a triumphant success.

ENCLOSURE No. 1.

財政部關務署訓令第六〇七號 中華民國十八年五月十七日

令總稅務司梅樂和

爲令行事查通商進口稅則善後章程現准外交部來咨以與估價完稅俱有關係應在廢止之列請查照辦理等因合行令仰該總稅務司遵照並轉飭各海關遵照在未設立復核機關以前遇有商人對於貨物驗估上發生爭議事件應即呈由本署覆核飭遵此令

財政部關務署訓令第九〇三號 中華民國十八年七月十八日

令總稅務司梅樂和

爲令行事查進口稅則暫行章程及稅則分類估價評議會章程業已由部分別公布備案并抄發進口稅則暫行章程原條文令行各海關監督轉飭各該關稅務司遵照在案茲抄發該兩項章程原條文令仰該總稅務司遵照辦理按稅則分類估價評議會章程第三條乙項之規定並應由該署擬定委員二人開列名單呈候本署核委並仰遵照此令

計抄發進口稅則暫行章程稅則分類估價評議會章程

## 進口稅則暫行章程

第一節 凡應從價納稅之進口貨其完稅價格應以輸入口岸之躉發市價作為計算根據至躉發市價則以當

地通用貨幣為準惟此項市價於折合關平計算稅額時應視為超過完稅價格其超過數目為

(甲)該貨稅率之數 (乙)該貨完稅價格百分之七

(附註)核定完稅價格之公式如左

$$\frac{\text{躉發市價} \times 100}{100 + \text{稅率} + 7} \text{ 例如 } \frac{\text{關平60兩} \times 100}{100 + 12\frac{1}{2} + 7} = \frac{\text{關平6,000兩}}{119.5} = \text{關平50.21兩完稅價格}$$

第二節 呈遞進口報關單時應呈驗真正發票廠家發票亦包括在內該發票應載明該貨售於進口商之價值

並由進口商證明無訛所有運費保險費及其他各費亦應詳載無遺

第三節 倘貨物於未報關之前業已售出亦應檢同真正合同與報關單一併呈驗

第四節 發票與合同均可視為貨價之憑證但非必可以視為確定之憑證關於此點其解釋應由海關酌定之

海關除責令商人呈驗發票合同外並得任便行使一切有效方法例如檢查與估價有關之其他各種文件調查雙方證明之詳細售貨單據檢查商家簿冊考察貨色暨於必要時從事一切訪問以及延請任何私人協助以便確定完稅價格

## 第五節

進口商對於海關所定價格或分類或其所徵稅銀或費用數目認爲不滿意時可於報關單或海關他項登記歸案以後二十日內用書面向稅務司提出抗議明白聲敘反對理由在該案未解決以前該商得呈繳押款請將貨物先予放行該項押款之數須足敷完納稅銀全數及海關所定其他加徵之款但此項辦法以經海關許可者爲限稅務司於接到抗議書後十五日內應將該案重行審核倘認該商抗議爲不合應將該案呈請總稅務司轉呈關務署交由稅則分類估價評議會審定之

## 第六節

稅則分類估價評議會開會時關於手續等事發生一切問題應由多數議決此項多數議決案須陳經關務署批准並於十五日內（例假在外）公布一體遵照

## 第七節

關於貨價爭執案件如經稅則分類估價評議會決定該貨實價較抗議人原報之數超過百分之二十或以上者則海關得於徵收其應納之正稅外飭令遵繳匿報稅銀十倍之罰款

關於價格上發生爭議之貨物在未輸入以前業經出售者當報關時並未呈驗合同則該合同日後如向稅則分類估價評議會呈驗擬作爲該貨價格之憑證時須經商人或其代理人證明該合同於報關

時確不在輸入商人手中並經稅則分類估價評議會全體會員認為完全滿意後方為有效倘於進口

以前已經出售之貨物查明其合同在進口時故意隱匿未向海關呈驗則該項抗議案作為無效

第八節 凡報關單暨各種發票及合同均須附載聲明「茲謹證明上述事項及數目均係確實無訛」等字樣由

呈請人簽字

第九節 本暫行章程自公布日施行未盡事宜得隨時通告修正之

### 稅則分類估價評議會章程

一本會定名為稅則分類估價評議會直隸於關務署

二本會之職掌如左

甲調查並決定關務署交議關於稅則解釋及定義並貨物分類等問題

乙裁決各國商人對於海關所定稅則分類及所估完稅價格發生爭議之案件

三本會由關務署長就下列機關指定委員五人組織之

甲國定稅則委員會三人

乙總稅務司署二人一為審權科稅務司一為審權科或上海估驗處職員

四本會應每週至少會議兩次每次開會以有委員四人出席爲足法定人數

五關於稅則解釋及定義並貨物分類等問題應由各關稅務司陳報總稅務司經總稅務司加具意見條擬辦法轉呈關務署核奪關務署認爲必要得發交本會調查核議

六發交本會之各項問題以多數議決之此項議決案應由會呈請關務署批准令行總稅務司轉知各關稅務司遵照

七本會於審理商人與海關間關於分類估價或任何同類事項所發生之爭議時爲謀公平之解決起見得飭傳抗議人到案中辨併得利用專家或富有經驗者之協助其議決案經關務署批准後發生效力

八本會關於解決稅則爭議職務之行使及行使其職務時之權限及手續應照進口稅則暫行章程所載各項條件決定之

九本會設於上海在海關辦公凡上海以外各關發生爭議案須由本會解決者應由會在滬審理倘遇此種案情該關稅務司應備文詳陳爭議情形呈由總稅務司轉呈關務署交會核議並應一面通知抗議人得自備資斧赴滬申辯或派代理人在滬代爲辦理或檢具其所擬請會考量之一切書狀文件經由該關稅務司或由該商直接呈會查核

十本章程由關務署長呈經財政部長備案施行未盡事宜得隨時修正之



## ENCLOSURE No. 2.

## IMPORT TARIFF PROVISIONAL RULES.

## 程 章 行 暫 則 稅 口 進

## RULE I.

1.—The duty-paying value of any import liable to an *ad valorem* rate of duty shall be determined on the basis of the wholesale market value of the goods in local currency at the port of importation. This latter value, when converted into Haikwan taels, shall be considered to be higher than the duty-paying value by—

- (a) The amount of the duty on the goods, and
- (b) 7 per cent of the duty-paying value of the goods.

The formula for ascertaining duty-paying value is:—

$$\frac{\text{Wholesale market value} \times 100}{100 + \text{Duty rate} + 7}$$

e.g.:

$$\frac{Hk.Tls. 60 \times 100}{100 + 12\frac{1}{2} + 7} = \frac{Hk.Tls. 6,000}{119.5} = Hk.Tls. 50.21 = \text{Duty-paying value.}$$

2.—*Bona fide* invoices, including manufacturers' invoices, showing the cost of the goods to the importer and certified by him as being correct, must be produced when Import Applications are handed in. Freight, insurance, and all other charges must be shown.

3.—If the goods have been sold before presentation to the Customs of the Application to pay duty, the *bona fide* contract must also be produced together with the Application.

4.—Invoices and contracts will be regarded as evidence of the value, but not necessarily as conclusive evidence, and in this respect their interpretation will rest with the Customs. Besides demanding the production of invoices and of contracts, the Customs authorities shall be free to employ all available means to determine the correct duty-paying value of the goods. Such means shall include the inspection of other documents which may concern the valuation of the cargo; the calling for detailed sale-bills, certified by both parties; the inspection of firms' books; the examination of the goods; and the making of such inquiries and the obtaining of such private assistance as may be necessary.

5.—The importer, if dissatisfied with the decision of the Customs as to the value or classification of imported goods, or the amount of duty or charges assessed thereon, may, within twenty days after the filing of the Application to pay duty or other Customs entry, file a protest in writing with the Commissioner of Customs, setting forth specifically his objection thereto. Pending a decision in the case, the merchandise—at the discretion of the Customs—may be released to the importer upon payment of a deposit sufficient to cover the full amount of duty and such additional duties as may be claimed by the Customs. Upon the filing of protest the Commissioner shall, within fifteen days thereafter, review his decision, and, if the protest is not sustained, the case shall be referred to the Inspector General of Customs with the request that it be submitted to the Kuan-wu Shu for the consideration and decision of the Tariff Board of Inquiry and Appeal.

6.—Questions regarding procedure, etc., which may arise during the sittings of the Tariff Board shall be decided by the majority. The final finding of the majority of the Board, which must be ratified by the Kuan-wu Shu and announced within fifteen days of the reference (not including holidays) shall be binding.

7.—Regarding disputes arising from the valuation of goods, should the Board decide that the correct value of the goods is higher by 20 per cent (or more) than that upon which the complainant originally claimed to pay duty, the Customs authorities may, besides the full duty, levy an additional duty not exceeding ten times the duty sought to be evaded.

If the goods—the value of which is in dispute—were sold previous to importation, but no contract was produced at the time the goods were applied for, then the contract, if produced at the hearing of the Board as evidence of the value, will be considered as such evidence only when it is clearly proven by the merchant or his agent, to the complete satisfaction of all the members of the Board, that the contract was not in the hands of the importer at time of declaration of the goods. In cases where goods have been sold previous to importation, and it is ascertained that the contract was withheld from Customs inspection at time of importation, then the case will *ipso facto* be dismissed.

8.—All Applications, invoices, and contracts must bear the following declaration signed by the applicant:—

“I hereby certify that the above particulars and figures are correct.”

9.—This Provisional Rule is effective as soon as it is promulgated. It is subject to change at any time upon notice being given.

## RULE II.

The following will not be liable to import duty: Foreign Rice, Cereals, and Flour; Gold and Silver, both Bullion and Coin; Printed Books, Charts, Maps, Periodicals, and Newspapers.

A freight or part freight of duty-free commodities (Gold and Silver Bullion and Foreign Coins excepted) will render the vessel carrying them, though no other cargo be on board, liable to tonnage dues.

Drawbacks will be issued for Ships' Stores and Bunker Coal when taken on board.

## RULE III.

Except at the requisition of the Chinese Government, or for sale to Chinese duly authorised to purchase them, import trade is prohibited in all Arms, Ammunition, and Munitions of War of every description. No Permit to land them will be issued until the Customs have proof that the necessary authority has been given to the importer. Infraction of this rule will be punishable by confiscation of all the goods concerned. The import of Salt is absolutely prohibited.

## RULE IV.

The importation of Opium and Poppy Seeds is absolutely prohibited. The importation of the following articles is prohibited except under bond by qualified medical practitioners, druggists, and chemists: Morphia and Cocaine and Hypodermic Syringes; Anti-Opium Pills containing Morphia, Opium, or Cocaine; Stovaine, Heroin, Thebaine, Ghanja, Hashish, Bhang, Cannabis Indica, Tincture of Opium, Laudanum, Codeine, Dionin, and all other derivatives of Opium and Cocaine.

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## CONSTITUTION AND REGULATIONS FOR A TARIFF BOARD OF INQUIRY AND APPEAL.

1.—The Kuan-wu Shu shall establish a Tariff Board of Inquiry and Appeal.

2.—The duties of this Board shall be—

- (a) To investigate and give decisions on all questions regarding Tariff interpretation, definition and classification of goods, etc., which may be referred to it by the Kuan-wu Shu; and
- (b) To give decisions on cases where merchants of any nationality dispute the correctness of the Tariff classification or the duty-paying value of their goods as assessed by the Customs.

3.—This Board shall consist of five members, all of whom shall be appointed by the Director of the Kuan-wu Shu, three of them to be nominees of the National Tariff Commission and the remaining two to be nominees of the Inspector General of Customs, one of whom shall be the Tariff Secretary of the Inspectorate General of Customs and the other a member either of the Tariff Secretariat or of the Shanghai Appraising Department.

4.—Members of the Board shall meet at least twice a week. At such meetings four shall form a quorum.

5.—All questions regarding Tariff interpretation, definition and classification of goods, etc., shall be submitted by the port Commissioner to the Inspector General of Customs, who shall transmit the same to the Kuan-wu Shu with the comments and recommendations, and the Kuan-wu Shu shall, if necessary, refer them to the Board for investigation and decision.

6.—Questions referred to the Board shall be decided by majority. Such decisions shall be submitted by that Board to the Kuan-wu Shu for ratification. Such ratifications will be communicated by the Kuan-wu Shu to the Inspector General of Customs for transmission to the port Commissioners.

7.—When the Board is summoned to consider and give decisions on any dispute between a merchant and the Customs regarding the classification or the valuation of goods for the assessment of duty, or any kindred matter, it shall have the right not only to call upon the complainant to state and defend his case, but also to make use of the aid of experts or others whose knowledge

and experience may be required in the reaching of a just decision. Decisions of the Board shall be submitted to the Kuan-wu Shu for ratification. Without such ratification no decision shall be considered as valid.

8.—The occasions when the Board may be called on to hear and give decisions on Tariff disputes, and its powers and procedure while so acting, shall be determined by the conditions set forth in the Provisional Rule appended to the Import Tariff.

9.—The Board shall be located at Shanghai with its offices in the Custom House. Any case arising at a port other than Shanghai, requiring the services of the Board, must be referred to and heard by the Board in Shanghai. In such a case the Commissioner of Customs at the port concerned shall forward to the Inspector General, for submission to the Board through the Kuan-wu Shu, a detailed statement of the matter in dispute and shall inform the complainant that he is at liberty either to proceed to Shanghai, at his own charges, to defend his case, or to appoint a proxy at Shanghai to do so, or to submit to the Board, either through the Commissioner of the port or directly, whatever statements and documents he may wish to be considered by the said Board.

10.—The present constitution and regulations shall be effective upon the approval of the Director of the Kuan-wu Shu and upon a copy being deposited with the Ministry of Finance. Revisions may be effected when deemed necessary.

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CIRCULAR No. 3951 (SECOND SERIES).

**Oil imported at outports: payment of additional duty on, by means of letters of credit drawn on the Shanghai head office of the importing company, authorised; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *5th August 1929.*

SIR,

I circulate herewith copy of correspondence exchanged with the Kuan-wu Shu, from which you will see that the Minister of Finance has granted the oil companies (Asiatic Petroleum Company, Standard Oil Company of New York, and Texas Oil Company) the

privilege of paying all or part of the additional duties (*including special kerosene tax*) at Shanghai. These instructions are to be given effect to without delay, note being taken, however, that the old 5 per cent import duty is not affected by the present arrangements and that it is to be paid in full locally as heretofore.

The oil companies may pay these additional duties either by means of a cheque, draft, or letter of credit drawn on Shanghai for the equivalent of the duty leviable at the fixed rate of *Hk.Tls.* 100 = *Sh.Tls.* 111.40, and on receipt of such document you are to send it under cover of the usual remittance note to the Central Bank of China, Shanghai, and to request the bank to collect the amount due and to credit it to the Inspector General of Customs Revenue Suspense Account.

The Duty Memo. is to be made out for the full amount, but a note is to be added showing what portion of the duty leviable is being paid at Shanghai.

At ports where the banker's commission is on a percentage basis, the additional duties paid at Shanghai are not to be deducted when calculating the commission due to the bank at the end of the month. The revenue-collecting banks are to be informed of this new procedure.

Your attention is drawn to the fact that, so far, this privilege of paying additional duties at Shanghai has only been accorded to the three oil companies mentioned above and that it cannot be extended to other companies without Ts'ai-chêng Pu authority.

I am, etc.,

F. W. MAZE,

*Inspector General.*

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## ENCLOSURE.

總稅務司呈 關務署文第三二〇號 中華民國十八年六月一日

呈爲呈請查明亞細亞煤油公司是否與財政部訂立協定准將在各口海關應完稅款由上海總公司代爲完納並陳明此項辦法窒礙情形具文呈請

鑒核事竊查職署現接有數關稅務司報告均以據各該口亞細亞煤油公司聲稱該總公司現與財政部訂立協定凡報運煤油等品進口如遇該進口口岸之公司所存款項不敷完稅時得由上海總公司在滬代完稅款各等情前來查上述該亞細亞煤油公司與財政部訂立前項協定一節職署尙未奉有

明令未諗是否屬實如果實有其事竊以此項辦法似屬不無窒礙蓋以（一）有數處海關所徵稅款於匯寄到滬時可得匯兌之餘利如准該公司將應在各口海關完納之稅款由上海總公司代爲繳納則海關無匯兌餘利可取自不免略有損失（二）有數關所徵稅款係以煤油稅佔其最大部分如准予在上海完稅恐致各該口經費不敷應用（三）如准該公司煤油在上海完稅恐其他商行亦援例要求此項辦法擴充及於他種貨物予以一律待遇殊難應付據呈前情理合備文呈請

鈞署俯賜查核該公司究竟是否與財政部訂立前項協定如有此協定並請將如何辦理之處併行酌奪示覆遵行謹呈

財政部關務署指令第七五五號 中華民國十八年六月二十二日

令總稅務司梅樂和

呈一件爲各口海關應徵煤汽油稅款由上海總公司代爲完納是否訂有協定並陳明此項辦法窒礙情形

請鑒核由

呈悉查美孚德士古亞細亞三煤油公司所屬各地分公司應繳之煤汽油進口關稅准由各該總公司在滬代繳原指分公司因存款不足繳稅之時而言且此項辦法係遵照部訂協定辦理他商自難援例請求本署前爲兼顧商情國課起見經已令飭該總稅務司將繳款手續及稽核放行各辦法妥爲規定在案仰卽查照前令辦理爲要此令

財政部關務署訓令第六八二號 中華民國十八年五月三十一日

令總稅務司梅樂和

爲令行事案查美孚德士古亞細亞三煤油公司所屬各地分公司應繳煤汽油進口關稅前曾與部訂明准由各該總公司在滬繳付所有此項在滬繳付之款應由該總稅務司核收合行令仰遵照並將繳款手續及稽核放行辦法妥爲規定爲要此令



總稅務司呈 關務署文第三六〇號 中華民國十八年六月二十日

呈爲美孚等三煤油公司所屬各地分公司應完之煤汽油進口稅擬請規定分別繳付辦法方可雙方並顧具文復請

鑒核示遵事案奉

鈞署第六八二號訓令內開案查美孚德士古亞細亞三煤油公司所屬各地分公司應繳煤汽油進口關稅前曾與部訂明准由各該總公司在滬繳付所有此項在滬繳付之款應由該總稅務司核收合行令仰遵照並將繳款手續及稽核放行辦法妥爲規定等因奉此查關於亞細亞煤油公司與部訂將所屬各地分公司應繳之煤汽油進口稅由其總公司在滬繳付辦法如果實行影響數關收入業經職署於本年六月一日備具第三二零號呈文將其中窒碍情形呈明

鈞署鑒查在案茲奉

令飭安定該美孚等三公司所屬各地分公司在滬繳款手續及稽核放行辦法自應並顧兼籌以臻周妥按該美孚等三公司所屬各地分公司所以欲將應完之進口關稅由其總公司在滬繳付者實因新稅則施行後應完之稅款較前增多虞其所存款項不敷納稅始出此舉不然前此何以未聞各該分公司對於繳納關稅發生何項困難之事是其此舉係專爲關稅增加經濟上不敷周轉之故已不言而喻現如定明所有各該分公司在各口海關

按照新稅則應完之新增關稅部分准由其總公司在滬繳付其按照舊稅則應完之部分仍令其照舊繳付各該口之海關收納如此則在各該分公司方面既無存款不敷納稅之虞對此辦法自無異議而向恃此項稅收以資挹注之各關亦可藉以維持其收入實爲兩全之道且照此辦理於海關向例既免變更對於稽核放行等辦法自不至發生何項困難至關於各該分公司在滬繳付增加關稅部分之辦法似應由各關稅務司按照各該本口之情形擬定方免窒碍所有以上所擬辦法如蒙

核准擬即通令各關一體遵辦奉令前因理合具文呈復伏候

核奪指令祇遵俾便轉飭遵行謹呈

財政部關務署指令第八一〇號 中華民國十八年六月二十九日

令總稅務司梅樂和

呈一件爲美孚等三煤油公司所屬各地分公司應完之煤汽油進口稅酌擬分繳辦法請示遵由

呈悉據稱美孚等三公司所屬各地分公司報運煤汽油於存款不敷繳納進口關稅時擬按稅則新舊部分飭由總公司及分公司分別繳付其在滬繳款辦法並由各關稅務司按各該本口情形擬定以免窒礙各節係爲關務商情雙方兼顧起見應准如擬辦理仰即轉知各該公司並通行遵照可也此令

## CIRCULAR No. 3961 (SECOND SERIES).

**Annual Trade Reports: editing of, to be done at Inspectorate,  
and remarks in, to be confined strictly to trade and  
revenue matters, instructing.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 23rd August 1929.

SIR,

With reference to previous Circulars concerning the preparation and rendering of Annual Trade Reports, and more especially to Circular No. 24:

Which directs that "these reports should mainly consist of original information and comments on the course of local trade and commercial prospects":

to Circular No. 126:

Laying down clear instructions that in such reports the doings of Chinese officials or of the Chinese Government are not to be criticised:

to Circular No. 798:

Instructing Commissioners to see that the manuscript of their Trade Reports is sent forward properly edited and free from all "remarks of a political, international, or official nature calculated to promote comment or give offence":

to Circular No. 888:

Pointing out that "it is the Chinese point of view from which you are expected to write about trade and mercantile doings," and that "when dealing with the statistics of trade and shipping, and discussing the circumstances affecting the production, distribution, consumption, quality, and acceptability of commodities, the standpoint should be what is done on the foreign side to meet Chinese tastes and requirements, and *vice versa*"; and

to Circular No. 1662:

Reminding Commissioners that "Trade Reports are to be confined strictly to matters affecting local trade," that "political affairs and governmental doings should be

avoided or only touched on lightly," and that "our Trade Reports are primarily intended to be records of commercial facts and to furnish such explanations of the statistical tables as may seem desirable and useful to the mercantile community":

I have now, while drawing your attention to these past instructions, to append, for your information and guidance, copy of Kuan-wu Shu despatch No. 1056, directing that in future the work of scrutinising and editing the Commissioners' Annual Trade Reports is to be left entirely to the Inspectorate and that henceforward these reports are to confine themselves strictly to trade and revenue matters, eschewing all detailed references of a political or military nature.

I have accordingly to request you in future, when preparing your Annual Trade Report, to remember that the primary purpose of such a document is to convey economic information and not to recount political doings or military movements, no matter how interesting such events may be from an historical point of view. In future, therefore, in these reports you are to avoid making detailed reference to purely political or military events either of local or national importance, movement or disposition of Chinese troops, etc., contenting yourself, in case trade and commerce have been affected by such events, with a general statement to that effect couched in general terms that cannot give rise to misunderstanding or cause unnecessary offence.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE.

財政部關務署訓令第一〇五六號 中華民國十八年八月十五日

令總稅務司梅樂和

爲令行事查華洋貿易統計報告書向由各關稅務司按季呈由該總稅務司轉呈本署審核定後再行發還編印原爲考核精審昭示詳實起見茲本署以此項辦法展轉往復手續繁重殊不足以資便利察核情形實有酌予變通之必要嗣後此項報告書俟各關呈送該總稅務司後卽由該總稅務司負責詳細審核編定逕予印行惟所載各項報告祇以關於稅收貿易情形及事實爲限以外凡關於政治軍務等事一概毋庸涉及合行令仰該總稅務司卽便遵照辦理此令

## CIRCULAR No. 3984 (SECOND SERIES).

**Kerosene oil and gasolene: copy of text of agreement between  
Minister of Finance and oil companies; I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *9th October 1929.*

SIR,

1.—With reference to Circulars Nos. 3854,\* 3866, 3870, 3922, 3951,† and to Chief Secretary's Circular Memorandum No. 28:

Concerning the assumption by the Customs of the functions of the Special Kerosene Tax Bureau and the duty treatment of kerosene oil and of gasolene, etc.:

I now circulate, for your information and guidance, copy, in Chinese and English, of an agreement between the Minister of Finance and each of the following three oil companies, viz., the Asiatic Petroleum Company, the Standard Oil Company of New York, and the Texas Oil Company, dealing with the importation, duty treatment, and movement and sale of kerosene oil and of gasolene in China.

2.—The main purpose of this agreement is to enable each of the three companies concerned, and any other company which may sign a similar agreement, to acquit itself of all dues and duties leviable on its importations of kerosene oil and gasolene by payment to the Customs of a commutation import duty, covering all recognised charges, and to receive refunds direct from the Ministry of Finance of any unauthorised charges levied on such consignments of kerosene oil and gasolene. As this agreement marks a new departure in China's tariff arrangements, your attention is specially drawn to the following points:—

3.—Article 4 gives a list of conservancy, wharfage, breakwater, and other dues at present payable on importations of kerosene oil and of gasolene at Shanghai, Chefoo, Newchwang, Tientsin, Chenglingki (Yochow), Changsha, Tsingtao, and Foochow. These are the only charges allowed on kerosene oil and gasolene besides Customs import duty, and their rate in respect to these two articles of trade is not to be heavier than what it was in the year 1928. You are, however, to note that if, in the future, conservancy and/or wharfage dues become leviable at ports other than those enumerated in this article, such levies, so far as kerosene oil and gasolene are

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\* *Antea*, vol. iv, p. 155.

† *Antea*, vol. iv, p. 220.

concerned, are to be based on the rates of import duty in force during 1928 and are not to exceed the maximum specific rate now paid at any of the importing points designated in this article.

4.—In Article 5 it is agreed that payment of Customs import duty and of the dues specified in Article 4 exempts kerosene oil and gasoline from all taxation of whatsoever nature from port of importation into China until actually consumed.\*

5.—Article 6 concerns the Customs Administration closely, as it is the basis for the practice of issuing free Transit Passes for kerosene oil and gasoline when sent inland, thereby exempting these articles from transit dues and/or Native Customs levies.

6.—Article 9 deals with metal drums and barrels, used as containers by the oil companies, which, having once paid import duty, are to be exempted from further levy and are to be permitted to circulate freely in China. In this respect the instructions of Circular No. 2926 remain in force, except that, as only import duty is payable, transit dues are not to be levied.

7.—Article 10 rules that scrap tin, tin linings, binding wire, knocked-down cases, second-hand case shooks, and empty tins, made from duty-paid tinplate and cases and belonging to the oil companies, shall be permitted to be moved from place to place in China without payment of any further levy. This rule, however, should not be taken as applying to export abroad of such materials, and in this connexion the instructions of Circular No. 3563 remain in force, with the necessary modification that the export duty leviable shall be  $7\frac{1}{2}$  per cent *ad valorem*.

I am, etc.,

F. W. MAZE,

*Inspector General.*

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\* "Prior to the formation of the National Government, receipts from kerosene and gasoline had been very meagre, and took the shape of the conventional Customs duty, together with numerous and vexatious imports by provincial authorities, municipalities, and even local educational and charitable bodies. After the greatest obstacles, involving difficulties with both the oil companies and Government and semi-private institutions, the consolidated kerosene tax was finally put in force. When the oil companies found that the consolidated tax system meant a uniform tax collected at the source and afforded them immunity from petty annoyances, they responded wholeheartedly in spite of the relatively high rate of tax imposed. . . . As kerosene and gasoline are entirely articles of import, taxation could best be levied at the Customs. For that reason, and also in order to avoid unnecessary duplication of the machinery of collection, the tax was amalgamated into the general Customs duty when the new tariff came into effect on February 1, 1929."—Extract from Report presented at the Third Plenary Session of the Central Executive Committee of the Kuo-min-tang Government by H.E. Mr. T. V. Soong, Minister of Finance.

## ENCLOSURE No. 1.

國民政府與上海美亞公司訂立關於修訂煤汽油進口稅及與煤油特稅合併合約（譯稿）  
德士古

中華民國國民政府財政部長宋子文代表國民政府（以下簡稱政府）與上海美孚煤油公司總經理霍金士（以下簡稱公司）爲求煤汽油進口稅收納手續簡便及效能起見訂立此合約惟國民政府與美國政府或締結他項條約時并不受此合約之限制而受損害茲將條款分列如下

一 本合約所訂之條款係就中國海關所訂徵收煤汽油稅以及中華民國財政部退還公司款項爲依據據政府待遇其他輸運及在中國銷售煤汽油之公司或個人或團體應與待遇公司同倘政府予以較優之待遇公司亦應享受同等之待遇不得歧視又不得強迫公司於運油進口時繳納進口關稅以及任何性質之稅捐超過中外商人或團體所納之數

二 本合約所訂各條款均應適用於中華民國各省及其所屬蒙古西藏新疆以及將來爲政府所管轄之區域中華民國包含下列二十七省

安徽 察哈爾 浙江 福建 河南 河北 湖南 湖北 熱河 甘肅 江西 江蘇 廣西  
廣東（併海南羣島） 貴州 寧夏 山西 山東 陝西 西康 綏遠 四川 青海 雲南  
奉天（卽盛京） 黑龍江 吉林（奉天黑龍江統稱東三省）



三自民國十八年（即一九二九年）二月一日起海關應照下列稅率徵收煤汽油稅

汽油 每箱二罐每罐約美量五加倫每箱應繳關平銀一兩零五分七厘

統汽油 每十加倫爲一單位以華氏寒暑表六十度計每單位應繳關平銀一兩零一分二厘

煤油 每箱二罐每罐約美量五加倫每箱應繳關平銀八錢七分七厘

統煤油 每十加倫爲一單位以華氏寒暑表六十度計每單位應繳關平銀八錢四分七厘

上列之修訂稅率即海關舊進口稅二五附稅及民國十七年（即一九二八年）三月二日訂立合約所徵每箱一元之煤油特稅相加之數此新訂稅率之施行應以本合約第一條之規定及下文所列者爲依據茲將一九二八年三月二日所立合約之條款略列如下

甲公司存貯於公司所有及所管轄油倉內之煤汽油無須繳納每箱或每單位一元之煤油特稅在存貯期

間內所漏耗之煤汽油亦無庸繳納上項特稅

乙公司所有及所管轄之油倉輸運煤汽油由彼至此政府准予公司享有免稅之權利

丙由公司所有及所管轄之油倉輸運煤汽油至公司之代理人倘在運輸中遇有漏耗以及他項原因所受之損失如水火險匪劫消耗等此項損失之油公司得免納每箱或每單位一元之消耗稅

依據民國十七年（即一九二八年）三月二日所訂之合約政府既予公司如上述之利益此次新訂合約政府允於煤汽油入口按照本合約第三條之規定繳納關稅時由財政部按照公司所繳納之稅額退還公司煤油稅百分之二・五汽油稅百分之七以爲抵償倘政府允予其他在中國經營煤汽油業之商人或團體之退稅率較上文規定者爲高或其他優越之條件政府允予公司以同等之待遇不得歧視

四海關除徵收進口關稅外於雙方簽訂本合約之時並徵收下列各項額外稅捐

甲 上海 濬浦捐 碼頭捐

乙 煙台 堤壩捐

丙 牛莊 遼河工程捐

丁 天津 海河工程捐 橋工捐

戊 城陵磯 碼頭捐

己 長沙 碼頭捐

庚 青島 碼頭捐

辛 福州 濬河捐

上述各捐公司於煤汽油進口時按照民國十七年（即一九二八年）所納之數繳納不得增加倘或增加政府應予公司以相當之保護除上述各項稅捐外所有上述各口岸倘再徵收其他額外稅捐公司得免繳納

除上述各口岸外海關倘在其他口岸徵收濬河捐或碼頭捐或兩捐併徵亦應依據民國十七年（即一九二八年）海關進口稅則爲徵收標準即汽油每箱關平銀二錢六分每單位關平銀二錢三分煤油每箱關平銀一錢四分每單位一錢二分無論任何地點不得徵收超過上述各口岸所徵之最高數

五除本合約第三條所規定之進口稅及第四條所規定之各項捐稅外所有公司之煤汽油自運入中國後至消耗時止應豁免其他一切任何稅捐倘公司被迫繳納其他稅捐爲本合約第三第四條所未規定或超出本合約第三第四兩條所規定之數政府允許由財政部退還政府應保護公司或其代理人免于繳納下列各項稅捐倘公司或其代理人被迫繳納政府應即如數償還惟公司須將所付數目開列清單并將所有可以接受之證據等件繳送財政部審核

准免繳納之各項稅捐名稱如下

落地稅 釐金 消費稅 軍事費 教育捐 提工捐 碼頭稅 附加稅 賑捐 測量費 檢查費  
手續費 印花稅 單據稅 各項公債 漢口油池捐

六公司輸運煤汽油入口之後在中國境內轉運之油政府准其免繳子口單稅以及常關各稅倘公司被迫繳納此項稅款政府允許由財政部如數退還惟公司須將所繳數目開列清單連同可以接受之證據等件一併繳送財政部審核

七按照民國十七年（即一九二八年）三月二日所訂合約所有公司用以製造或用於自有機器或用以行駛公司所有車船之煤汽油一概免納特稅自本合約訂立之後所有因上述事項所用之煤汽油作為公司自用之油以公司簿記所載為憑每月由公司開列賬單繳送財政部時政府允許由財政部在上海發還該自用油已繳之稅款每箱或每單位計銀洋一元倘政府允許在中國營業之其他煤汽油商人或團體以較高之退稅率或較優之權利政府應予公司以同等之待遇不得歧視

八所有公司供給外國政府在中國所用之煤汽油倘非為各該國政府用作營業者政府准予一律免納本合約所規定之稅其業經繳納者應由財政部全數發還

九所有公司盛油之油鼓油桶業經繳納進口稅後政府准予在中國境內自由移運得免再徵他項稅捐倘於運輸時被迫繳納稅捐政府允許由財政部退還惟公司須將所繳數目開列清單連同可以接受之付款證據等一併繳送財政部審核

十因公司自運之入口之錫片及裝箱之煤汽油須繳納進口關稅政府對於公司在中國境內移運破碎錫片舊箱夾裏桶箍拆卸之箱桶以及舊箱板空罐等政府准予免納一切雜稅捐倘經被迫繳納稅捐政府允許由財政部退還惟公司須將所繳數目開列清單連同可以接受之付款證據等一併繳送財政部審核

十一本合約第三·五·六·七·八·九·十等條所規定之退稅政府允准公司將所有退稅之請求送呈財政部核發財政部一經收到此項請求應即詳為審核如無差誤即將應退之稅發還公司

十二倘有特殊之課稅或立法之事於公司之船隻或及其他產業有不利之處政府允予公司友誼之援助及保護

十三自民國十八年（即一九二九年）二月一日起政府准將各省煤油特稅局發給稅票稅證辦法廢除並將各駐倉委員裁撤至公司於民國十八年（一九二九年）二月一日以前運到中國貯於各倉之存油係按照民國十八年（即一九二九年）二月一日以前之舊稅則納稅而未繳特稅者公司須按照十八年二月一日各倉存油數量於一定期間內分期繳納政府每箱或每單位一元之特稅其期間另由雙方協定之

十四本合約自民國十八年（即一九二九年）二月一日起發生效力以一年為期期滿之後如本合約第三條所規定之新稅則仍能施行則本合約仍繼續有效本合約發生效力之日民國十七年（即一九二八年）三月二日政府與公司所訂之合約即行作廢

中華民國國民政府代表

財政部長

見證

美孚煤油公司

見證

中華民國十八年一月三十一日立

## ENCLOSURE No. 2.

AGREEMENT BETWEEN THE NATIONAL GOVERNMENT  
OF CHINA AND THE ASIATIC PETROLEUM  
COMPANY, LIMITED, AND THE STANDARD OIL  
COMPANY OF NEW YORK AND THE TEXAS OIL  
COMPANY RELATING TO REVISION OF CUSTOMS  
IMPORT DUTY AND PROVIDING FOR THE  
INCORPORATION THEREIN OF THE SPECIAL TAX  
ON KEROSENE AND GASOLENE.

With a view to simplification and general efficiency in the collection and payment of revenue on kerosene and gasoline im-

ported into China by the { Standard Oil Company of New York  
Asiatic Petroleum Company, Limited } this  
Texas Oil Company

Agreement has been arranged between Mr. T. V. Soong, Minister of Finance, acting on behalf of the National Government of China,

of the one part, and { Mr. ....  
Mr. ....  
Mr. ....

the manager of the { Standard Oil Company of New York  
Asiatic Petroleum Company, Limited } at Shanghai,  
Texas Oil Company

acting on behalf of the { Standard Oil Company of New York  
Asiatic Petroleum Company, Limited } of the  
Texas Oil Company

other part, and shall be binding upon the National Government of China, hereinafter referred to as the Government, and the Standard Oil Company of New York }  
Asiatic Petroleum Company, Limited } hereinafter referred to as the  
Texas Oil Company

Company. It is understood, however, that this Agreement is made without prejudice to any treaties which may be negotiated between { Great Britain  
the United States of America } and China.

Article 1.—The terms and provisions of this Agreement shall be contingent upon all revenue hereinafter specified being collected by the Chinese Maritime Customs and refunds hereinafter specified being paid by the Ministry of Finance and shall apply subject to the condition that the Company shall enjoy treatment in no way

discriminative as compared with the treatment accorded to any other Company, party or parties importing into, selling or distributing petroleum products within China and that the Company shall not be compelled under any pretext whatsoever to pay within the Republic of China any duties, internal charges or taxes of any nature whatsoever upon their importations into China other or higher than those paid by nationals of the Republic of China, parties or governments within the Republic of China or by nationals, parties or governments of any other country.

Article 2.—It is mutually understood and agreed that the terms and provisions of this Agreement shall be construed to apply and shall apply to the territory generally known as the Republic of China, the dependencies of Mongolia, Tibet, and Sinkiang and also to any territory which may in the future come under the control of the Government, it being understood that the Republic of China comprises the following twenty-seven provinces:—

|   |                      |              |
|---|----------------------|--------------|
| Anhwei.                                   | Kweichow.            |              |
| Chahar.                                   | Ningsia.             |              |
| Chekiang.                                 | Shansi.              |              |
| Fukien.                                   | Shantung.            |              |
| Honan.                                    | Shensi.              |              |
| Hopeh (Chihli).                           | Sikang.              |              |
| Hunan.                                    | Suiyuan.             |              |
| Hupeh.                                    | Szechwan.            |              |
| Jehol.                                    | Tsinghai.            |              |
| Kansu.                                    | Yunnan.              |              |
| Kiangsi.                                  | Fengtien (Shengking) | } Manchuria. |
| Kiangsu.                                  | Heilungkiang . . .   |              |
| Kwangsi.                                  | Kirin . . . . .      |              |
| Kwangtung, including<br>Island of Hainan. |                      |              |

Article 3.—It is mutually agreed that effective as of 1st February 1929 the duty to be assessed by the Chinese Maritime Customs shall be *Haikwan Tls.* 1.057 per case of two tins, each containing approximately five (5) American gallons, and *Haikwan Tls.* 1.012 per bulk unit of ten (10) American gallons at 60 degrees Fahrenheit of gasoline and *Haikwan Tls.* 0.877 per case of two tins, each containing approximately five (5) American gallons, and *Haikwan Tls.* 0.847 per bulk unit of ten (10) American gallons at 60 degrees Fahrenheit of kerosene, (these revised duties being the equivalent in Haikwan taels of the former Customs import duty plus surtax of fifty per cent of the former Customs import duty and plus the

special consumption tax of Chinese Dollars One (\$1.00) per case or unit of gasoline and kerosene collected under an Agreement of 1st March 1928 between the Government and the Company) subject to provisions of Article 1 above and to certain provisions as hereinafter set forth.

Whereas under the aforesaid Agreement dated 1st March 1928,

- (a) The Company was not required to pay the special consumption tax of Chinese Dollars One (\$1.00) per case or unit on stocks of kerosene and gasoline stored at Company owned and controlled installations and were thus not burdened with this levy on stocks of kerosene and gasoline lost through leakage and/or evaporation at these places of storage and
- (b) The Company was granted the privilege of tax free movement of kerosene and gasoline between Company owned and controlled installations and
- (c) The Company was exempted from payment of the special consumption tax of Chinese Dollars One (\$1.00) per case or unit of kerosene and gasoline lost by leakage and all other causes; such as marine loss, fire, brigandage, wastage, evaporation etcetera, while in course of transportation from Company owned and controlled installations to agencies and/or sub-agencies of the Company,

it is understood that the Government will allow, and the Government hereby agrees to allow the Company as compensation for the aforesaid exemptions enjoyed by the Company under said Agreement of 1st March 1928 a refund of the duties on kerosene and gasoline as provided for in Article 3 of this Agreement, which said refund shall be two and a half per cent of the duty paid on kerosene imported and seven per cent of the duty paid on gasoline imported and shall be paid to the Company by the Ministry of Finance at time of payment by the Company of duty on importations of kerosene and gasoline.

In respect of the specified percentage of refund it is understood, and the Government agrees, that in the event the Government shall grant or may grant to any other company, party or parties selling or distributing petroleum products in China a percentage higher than the said percentage or any other more advantageous terms or privileges the Government will grant to the Company as favourable terms or privileges.



Article 4.—Whereas in addition to import duty collected by the Chinese Maritime Customs the said Customs are at the date of signing of this Agreement collecting the following extra dues on imports:—

|                          |   |
|--------------------------|---|
| A. Shanghai . . . . .    | { Conservancy dues<br>Wharfage dues     |
| B. Chefoo . . . . .      | Breakwater tax                          |
| C. Newchwang . . . . .   | Liaoho Conservancy dues                 |
| D. Tientsin . . . . .    | { Haiho Conservancy dues<br>Bridge dues |
| E. Chenglingki . . . . . | Wharfage dues                           |
| F. Changsha . . . . .    | Wharfage dues                           |
| G. Tsingtao . . . . .    | Wharfage dues                           |
| H. Foochow . . . . .     | Conservancy dues                        |

it is hereby mutually understood and agreed that the Government will protect the Company from any increase in the said extra dues on imports at the importing points mentioned beyond or above the specific rates paid by the Company during the year 1928, and it is further agreed that in the event that any dues other than those specified above be assessed at the importing points designated above, the Company shall be exempt from the payment of all said additional or extra dues. It is further agreed that in the event conservancy dues or wharfage dues or both be assessed by the Customs at any importing points other than those specified above, the dues so assessed shall be based upon import duty of *Haikwan Tls.* 0.26 per case of two tins, each containing approximately five American gallons, and *Haikwan Tls.* 0.23 per bulk unit of ten American gallons of gasoline, and *Haikwan Tls.* 0.14 per case of two tins, each containing approximately five American gallons, and *Haikwan Tls.* 0.12 per bulk unit of ten American gallons of kerosene, as in effect during the year 1928, and shall not at any place be beyond or above the maximum specific rate paid at any of the importing points designated above.

Article 5.—It is mutually understood that payment of the duties specified in Article 3 and the dues specified in Article 4 of this Agreement shall exempt the Company's kerosene and gasoline from all taxation of whatsoever nature from point of importation into China until actually consumed. It is further mutually understood and agreed by the Government that in the event any tax of whatsoever nature other than those specified in this Agreement

shall for any cause whatsoever be levied upon the kerosene and gasoline imported into China by the Company, the amount so levied above and beyond such duties and/or levies specified in Articles 3 and 4 shall be refunded by the Ministry of Finance upon presentation by the Company of a statement of the amounts so levied. Among the taxes which the Government will protect the Company or its agents from paying and which if the Company or its agents are forced to pay, the Government agrees to refund to the Company, are—

|  |  |
|--|--|
| Lotishui.  | Survey fees.   |
| Likin.   | Examination fees.  |
| Consumption taxes of any nature whatsoever.            | Procedure fees.  |
| Military protection fees and all other military taxes. | Stamp taxes.   |
| School taxes.  | Documentary taxes.   |
| Dike taxes.  | Contributions to loans of all kinds.   |
| Wharfage taxes.  | Royalty on kerosene and gasoline as levied at Hankow by the Superintendent of Customs. |
| Surtaxes of all kinds.                                 |  |
| Famine relief taxes.                                   |  |

In respect to the payments of said taxes it is mutually understood and agreed that the Company shall furnish as proof of such payments evidence acceptable to the Ministry of Finance.

Article 6.—It is mutually understood and agreed by the Government that transit pass dues and/or Native Customs dues on kerosene and gasoline imported into and distributed within China by the Company shall be abolished and that in the event transit pass dues or Native Customs dues shall be levied the Government agrees that the Ministry of Finance shall reimburse the Company in full upon presentation by the Company of a statement of the amount or amounts so levied. In respect to the payments of said taxes it is mutually understood and agreed that the Company shall furnish as proof of such payments evidence acceptable to the Ministry of Finance.

Article 7.—Whereas the Agreement dated 1st March 1928 between the Government and the Company grants exemption from taxation on such quantities of kerosene and gasoline as may be consumed by the Company in manufacturing or in the operation of its plants, vessels and/or motor vehicles the Government now agrees to refund to the Company Chinese Dollars One (\$1.00) per

case or unit of gasoline or kerosene consumed by the Company in the manner and for the purpose above stated, said refund to be paid monthly at Shanghai by the Ministry of Finance against the Company's records of the quantities consumed for their own use. In respect of the specified refund of Chinese Dollars One (\$1.00) it is understood, and the Government agrees that in the event the Government shall grant or may grant to any other Company, party or parties selling or distributing petroleum products in China a rate higher than said rate or any other more advantageous terms or privileges, the Government will grant to the Company as favourable terms or privileges.

Article 8.—The Government agrees that deliveries of kerosene and gasoline to foreign Governments shall be exempt from all duties as provided for in this Agreement provided such products delivered to foreign Governments are not intended for sale by them, and the Government agrees that all duties paid on such deliveries shall be refunded to the Company by the Ministry of Finance.

Article 9.—It is mutually understood and is agreed by the Government that the payment of import duty on metal drums and/or barrels shall exempt these containers from further levy and that they shall be permitted to circulate freely. Should any tax whatsoever be levied on these containers while in transit, the amounts so levied shall be refunded to the Company by the Ministry of Finance upon presentation by the Company of a statement of the amount or amounts so levied. In respect to the payments of said taxes it is mutually understood and agreed that the Company shall furnish as proof of such payments evidence acceptable to the Ministry of Finance.

Article 10.—Whereas import duty is to be paid on tinplate, cased oil and cased gasoline, it is mutually understood and is agreed by the Government that scrap tin, tin linings, binding wire, knocked-down cases, second-hand case shooks and empty tins, shall be permitted to move from place to place within China without payment of any duty or any other levy. Should any taxes of any nature whatsoever be levied on these articles the amount so levied shall be refunded to the Company by the Ministry of Finance upon presentation by the Company of a statement of the amount or amounts so levied. In respect to the payments of said taxes it is mutually understood and agreed that the Company shall furnish as proof of such payments evidence acceptable to the Ministry of Finance.

Article 11.—The Government agrees that all claims for refunds provided for in Articles 3, 5, 6, 7, 8, 9 and 10 shall be filed by the Company with the Ministry of Finance and that the Ministry of Finance shall wholly receive and give prompt examination to the said claims and pay without delay the said refunds to the Company.

Article 12.—The Government agrees to extend and give to the Company its friendly assistance and protection against discriminative taxation on or legislation against the ships and/or other properties of the Company.

Article 13.—It is mutually understood and agreed that the Government will abandon the use of stamps and passes as now issued by the Special Kerosene and Gasolene Tax Bureaux as from 1st February 1929 and will withdraw tax inspectors from all Company controlled installations as soon as possible thereafter, and it is further agreed that the Company will pay in monthly instalments over a period to be fixed by mutual arrangement, a tax of Chinese Dollars One (\$1.00) per case or unit of kerosene and gasolene in stock at Company installations as on 1st February 1929 which has been imported under tariff in force prior to 1st February 1929 and on which no consumption tax has been paid as of that date.

Article 14.—The terms and provisions of this Agreement shall remain in effect for a period of one year from 1st February 1929 and shall continue thereafter for duration of the tariff specified in Article 3 hereof. It is mutually understood and agreed that the terms and provisions of this Agreement supersede Agreement of 1st March 1928 between the Government and the Company.

Signed, sealed and delivered this..... day of .....  
1929, at Shanghai, China.

Witness ..... { Minister of Finance for the National  
Government of China.

Witness ..... { Attorney,  
Asiatic Petroleum Company, Limited.  
Attorney,  
Standard Oil Company of New York.  
Attorney,  
Texas Oil Company.

## CIRCULAR No. 3990 (SECOND SERIES).

**Smuggling: Mr. F. H. Bell to investigate growth of, and to report on remedial measures in connexion with; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 24th October 1929.

SIR,

Some time back I pointed out to the Government that the application of the new Tariff, the introduction of which was notified in Circular No. 3854,\* would encourage organised smuggling on an extensive scale, which, in turn, would adversely affect revenue interests. I was instructed, therefore, to submit proposals for consideration, and I emphasised that an essential preliminary is the investigation of existing conditions along the various frontiers of China—particularly the Kowloon and Lappa frontiers,—and a close examination of recent developments in the principal ports of entry from abroad. I have accordingly selected Mr. F. H. Bell,† Commissioner, to conduct such investigation and report, and I have to request you to afford him every facility in the event of his visiting your district. In the meantime you are to study local conditions and submit definite recommendations in connexion with preventive measures if you have reason to suppose that smuggling has increased of late in your neighbourhood.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. iv, p. 155.

† *Antea*, vol. iv, p. 115 (footnote).

## SEMI-OFFICIAL CIRCULAR No. 61.

Smuggling: I.G.'s recommendations to Government *in re*.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 25th October 1929.

SIR,

Circular No. 3990 acquaints you with the fact that Mr. F. H. Bell,\* Commissioner, has been detached for special duty to enable him to investigate conditions on the various frontiers, etc., with a view to devising plans for strengthening preventive measures. And I consider that it is fitting for me, in this connexion, to circulate for record certain official representations on the subject which I have submitted to the Government for approval. I accordingly append hereto a translation of the memorandum concerned, and I may add that the recommendations set forth therein have been sanctioned in principle.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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ENCLOSURE.

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*(Translation of Memorandum submitted by the Inspector General to the Chinese Government on the subject of Organised Smuggling and the Measures considered necessary to protect the Revenue in consequence thereof.)*

The Inspector General has already invited the attention of the Kuan-wu Shu to the Customs Preventive Service, in view of the fact that smuggling will be almost certain to continue to increase, owing to the introduction of the new Tariff—it being obvious, of course, that the higher the Tariff the greater the inducement to evade fiscal obligations. To meet the changed conditions and to endeavour to protect the revenue, the Inspector General is of

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\* *Antea*, vol. iv, p. 115 (footnote).

opinion that the question of devising means to stop, or at least check, smuggling should now be contrived, and, if approved, certain preventive measures should be inaugurated forthwith. The principal districts which ought to be specially guarded are—

- (a) The Tonkin frontier,
- (b) Kwangchowwan,
- (c) The Kowloon and Lappa districts,
- (d) The Korean frontier, and
- (e) The Russian frontier.

The *chief ports of entry* must also be protected by more elaborate precautions—especially Shanghai. The land frontiers mentioned above will probably require armed guards for patrol work, and a system should be considered and plans should be drawn up on the lines of the former Kowloon frontier guard under Customs control. But in the case of Kowloon and Lappa it is also essential to develop and improve the existing Customs Launch Service in order to stop or check the increased activities of junks and power-vessels in the adjacent waters. It has long been the practice for Customs launches engaged in preventive work to stop cargo-junks, etc., especially those whose movements arouse suspicion, and, if necessary, to search them for smuggled goods. Formerly, there was very little resistance on the part of such craft, but the high duties now in operation encourage smuggling, and, consequently, more vessels engage in illicit trade; and, it seems, competition has evidently encouraged them to take bold and desperate chances. They do not hesitate, for example, to defy the authority of the Government, often refusing to stop when signalled to do so by Customs launches, and even opening fire when overtaken. In fact, one of our vessels was attacked and seriously damaged by such desperadoes a few weeks ago, and the Kowloon Commissioner reported the event as follows:—

“The revenue launch *Yeungshing* recently approached within hailing distance of three suspicious looking junks, when suddenly, without any warning, the junks opened fire at point-blank range. The *Yeungshing* was struck at least 13 times by small cannon balls, rivet heads, and rifle bullets, the iron railing round the searchlight being carried away, life-buoy torn open, gig holed, funnel hit, door to engine-room holed by cannon ball, and other minor damage done. Fortunately, there were no actual casualties among the crew—one sailor received a bullet through his cap. Next time, however, we may not be so lucky.”

The Inspector General wishes to mention here that revenue launches operating in the Kowloon and Lappa districts are at present equipped with old-fashioned weapons, for which it is difficult, if not indeed impossible, to obtain fresh supplies of ammunition, *i.e.*, the guns are obsolete and ammunition is no longer manufactured for them. Under the conditions existing before the introduction of the new Tariff the officers in charge of Customs craft were rarely, or never, obliged to resort to force in the execution of their duties, and the Inspectorate, moreover, always discouraged the use of fire-arms in order to avoid embarrassing complications should Chinese be killed or wounded. In most cases the mere sight of guns in our vessels was sufficient in former times to awe smugglers, and as they generally submitted quietly to search, it was unnecessary to equip launches, etc., with elaborate modern armaments. Conditions, however, have now completely altered, and, as indicated above, smugglers are prepared to defy the authority of the Government by armed resistance. Effective measures, therefore, must be devised, in order to compel compliance with authority. In the first place, it is necessary to discard the present obsolete armaments carried by most of our launches and to replace them with effective modern weapons—and this, naturally, will entail considerable expense; and, in the second place, it is desirable to authorise Customs officers to open fire, if necessary, on smugglers who actively oppose Customs vessels in the performance of their duty.

The Inspector General also considers that further investigation will probably show that additional vessels will be required for patrol work, better armed and better protected than the vessels now in commission, to enable us to cope successfully with the strong smuggling organisations now apparently operating in Kowloon and Lappa waters—more especially if the proposed Customs agreements with Hongkong, etc., are not ratified, but if ratification is secured, less elaborate preventive measures will suffice. And the Inspector General trusts that the Government will authorise the Customs officers concerned to use force—where force is opposed against us—and, if necessary, open fire on vessels refusing to stop for search, etc. In obedience to the Government's orders the Inspector General will visit Hongkong and Macao and prepare plans for strengthening the local launch service and will open negotiations concerning the Customs agreements referred to above.

The question of the land frontiers, however, presents greater difficulty and must be dealt with separately. It is impossible, moreover, for the Inspector General to submit definite proposals



in this connexion until close investigation indicates clearly the lines on which development should finally progress. As the Director General of the Kuan-wu Shu is aware, the Customs Administration had many arrangements to make in connexion with the introduction of the new Tariff throughout China last spring, and, while the Inspector General has on more than one occasion addressed the Government on the subject of the Customs Preventive Service, other affairs, still more pressing, engaged his immediate attention, and it has not been possible, therefore, for him to devote sufficient time to study fully the question raised in this report. But he now recommends that the matter be taken up by the Inspectorate and not dealt with "piecemeal" at the ports; and, furthermore, suggests that he should detach a Commissioner to visit the land frontiers concerned, carefully examine local conditions, ascertain, in consultation with local Commissioners, the estimated extent of smuggling now taking place along these frontiers and likely to take place in the neighbourhoods concerned in the future, and draw up preventive proposals calculated to deal effectively with local conditions and to protect revenue interests. In the Inspector General's opinion, frontier guards, at the beginning at any rate, should be composed of both Chinese and foreign units. This will add to the expense, but it should be considered that we are endeavouring to protect an annual revenue of about *Hk.Tls.* 150,000,000, and, if trade develops normally, perhaps in the near future *Hk.Tls.* 200,000,000, and reasonable extra expenditure is therefore justified; in fact, will in the end prove economical.

To summarise what precedes—

- (1) The application of the new Tariff has naturally given an impetus to the systematic evasion of fiscal obligations, and the Customs, therefore, should develop their Preventive Service to stop or check the serious organised smuggling now observable;
- (2) Armed guards on the Tonkin, Kowloon and Lappa, Korean, and Russian frontiers will probably be necessary;
- (3) The Customs Preventive Launch Service in the Kowloon and Lappa districts, etc., should be reorganised, and, if necessary, additional vessels should be provided; existing launches should be rearmed; and Launch Officers should be given official authority to fire on vessels refusing to stop for search, etc.;

- (4) The Inspector General should detach a Commissioner to investigate local conditions at all the places named in (2) and draw up proposals for consideration and for the ultimate approval of the Government; and
- (5) If desirable, the Inspector General will visit Hongkong and Lappa in connexion with the proposed reorganisation of the Customs Preventive Launch Service, etc., in those districts and will, furthermore, make certain representations to the local governments in Hongkong, Macao, and Kwangchowwan, with a view to securing, if possible, certain facilities calculated to strengthen China's protection of her revenue.

SHANGHAI, *24th June* 1929.

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#### SEMI-OFFICIAL CIRCULAR No. 62.

**Surtaxes: Shanghai Commissioner urged in 1927 to release cargo before payment of; his attitude defined for information of, and endorsed by, Shanghai General Chamber of Commerce.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *11th November* 1929.

SIR,

S/O Circular No. 53 incidentally outlines the Customs position in respect of the collection of surtaxes not sanctioned by international engagement, and I now desire to place on record the stand taken by myself in Shanghai, a few months after the above Circular was published, when a Consular Authority here endeavoured to obtain my co-operation in connexion with a scheme to break up the Surtax organisation in Shanghai by releasing cargo on liquidation of the treaty duty, and before payment of any further impost. I declined to participate in the movement on the ground that political—not Customs—action was called for and I refused to release officially cargo in the absence of Duty Receipts, which, in turn, were not forthcoming in cases where the extra-treaty tax concerned was not lodged in the Customs Bank. In view of the local misunderstanding which naturally enough arose, I deemed it desirable to define my attitude for the information of the Shanghai

General Chamber of Commerce, and for record. A copy of the statement drawn up by me on that occasion, together with the answer thereto, is appended, and it will be observed that the policy which I adopted was endorsed by the Chamber; while the Nanking Government, I may mention, subsequently signified their appreciation of what they designated my "very correct attitude."

I ought, perhaps, to add that if the Shanghai Commissioner of Customs had identified himself with a campaign against the Nanking Government at the instigation of a foreign official, and thus plunged the Service into politics, the stability of the Maritime Customs Administration, and the Indemnities and Loans Service secured thereon, would have been seriously jeopardised!

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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ENCLOSURE.

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*Copy of Confidential Letter to Mr. E. T. Byrne, Chairman, General Chamber of Commerce, Shanghai, from Mr. Maze, dated Shanghai, 25th August 1927.*

DEAR MR. BYRNE,

Some misconception concerning the Customs position in connexion with the surtax question appears to have gained a certain local currency, and it is appropriate, therefore, for me to define my attitude in the matter. The imposition of extra-treaty taxation raises a political issue which directly concerns the Treaty Powers and the Government—whether *de facto* or *de jure*—that imposes the taxes. The Maritime Customs Service is merely a Department of the Chinese Government and cannot properly become associated with measures devised by Consulates to resist the payment of tribute not authorised by treaty or sanctioned by custom. The Powers must act independently in the matter and devise whatever means appear to them necessary to protect their interests. The Nanking Government have established a Surtax Bureau in the Bank of China (Customs Bank), and by virtue of the Director's position as Superintendent of Customs the Bureau have access to certain Customs documents,—notably Duty Memos.,—which they

restrain until extra-treaty imposts have been liquidated. That is to say, the Customs Bank is thus debarred from issuing Duty Receipts for treaty duties, pending the payment to the Bureau of extra-treaty taxes; and the Customs, in turn, according to treaty principles and established practice require documentary proof—in the shape of Duty Receipts—that treaty duties have been actually credited to the Customs Revenue Account with the Chinese bank authorised by the Chinese authorities to receive them.

In view of these peculiar conditions and extra-treaty exactions, Consuls have since authorised merchants in certain circumstances to deposit treaty duties in Consulates and have requested me to release cargo on which treaty duty has been paid in this manner. But I cannot recognise the principle that Consuls may establish Customs Banks in Consulates independently of the Chinese authorities; and I decline to release officially cargo not covered by Duty Receipts issued by the recognised Customs Bank. It is urged, however, that the latter refuse to issue such Duty Receipts until the Surtax Bureau has received payment of surtaxes, and that the Customs Administration is being used as a lever to enforce illegal taxation. I contend, nevertheless, that the proper remedy is—not for the Customs to intervene, but—for the Powers themselves to take direct action, as stated above, and negotiate with the Government that authorises extra-treaty levies, with a view to removing the irregular restrictions placed by the Bureau upon the normal transactions of the Customs Bank. I may mention, furthermore, that an attempt was made recently to settle this international question, and thus squash the Surtax organisation, by enlisting the active assistance of the Commissioner of Customs in a campaign against the Nanking Government! The Customs Service, as you know, is the mainstay of China's credit abroad and of international trade in China; in addition to this, it administers highly efficient lights and harbour services; and, moreover, is directly responsible for the Indemnity and Loan payments. My considered opinion is, and I confidently affirm, that if the Customs Administration were to allow itself to be drawn into a political conflict in association with foreign authorities against the Nanking Government, the result would be disastrous to Customs interests in Shanghai; would endanger the integrity of the Customs establishments situated within the Nationalist area; and would seriously affect the security of the Indemnity and Loan Services. . . . This premised, I may add that my policy has been, and will continue to be, in spite of malevolent press notices, etc., based upon inadequate knowledge, to keep the Customs out of the political

arena, and leave the Powers to settle their difficulties in whatever manner seems to them best. In following this principle I conceive that I am acting in the best interests of trade and finance—Chinese and foreign.

In conclusion, I ought to correct another misunderstanding which prevails in some quarters, viz., that Commissioners of Customs can function independently of *de facto* Governments. This view is entirely erroneous. To illustrate my meaning I may mention that in Shanghai the Customs, in addition to the Head Office on the Bund, administer the following out-stations: the North Barrier, 10 miles up the Soochow Creek; the South Barrier, 5 miles up river; the Native Customs, Nantao; the Pootung Buoy Yard, where costly lighthouse gear, spare buoys, chain, etc., are stored; the Explosives Magazine; valuable floating property on the river—including lights-tenders and launches; the Woosung Native Customs; and the Woosung Harbour Office. I am in the nature of things compelled to rely solely upon the Nanking Government for the protection of these outlying and extra-Settlement properties. How, then, can I properly administer the Shanghai Customs independently of the *de facto* Government?

Believe me, etc.,

F. W. MAZE.

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*Copy of letter to Mr. Maze from Mr. E. T. Byrne, Chairman, General Chamber of Commerce, Shanghai, dated 15th September 1927.*

SIR,

In reply to your letter of 25th August, I am requested to inform you that the Chamber recognises the difficulty of your position, and entirely endorses the policy and attitude which you have adopted, which keeps the Maritime Customs outside all politics, and safeguards as far as possible the interests of trade and finance. The Chamber is also of opinion that the integrity of the Customs should be maintained, and that the foreign Powers should oppose any endeavour by local authorities to usurp or interfere with its administration.

I have, etc.,

E. T. BYRNE,  
*Chairman.*

## CIRCULAR No. 4002 (SECOND SERIES).

**Office hours: six-hour working day for staff to be enforced;  
instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 21st November 1929.

SIR,

The greatly increased volume of Customs office work, especially at the larger centres, due to China's growing trade, and the incessant demands from ports for additional staff to cope with this work, bring up for consideration the question of our present office hours.

The standing authority on this subject is Circular No. 405, written over 40 years ago, when business conditions were not nearly so exacting as they are to-day. The office hours then arranged allowed a six hour working day for the staff, not including one hour for tiffin, namely, 10 a.m. to 5 p.m. from April to September and 9 a.m. to 4 p.m. from October to March. At the same time the hours during which the office was to remain open to the public were fixed at 10 a.m. to 4 p.m. for all the year round.

These hours at all of the larger ports and at many of the smaller ones are, by long-standing local practice, not observed, while the hours that are observed are frankly inadequate. Unfavourable comments are heard again and again from the public on the inconvenience and delay caused at some ports by too rigid an adherence to definitely fixed office hours, which under present conditions are too short to allow business to be dealt with as quickly as it should be. Unflattering also to us as a Government office, which exists to serve the public, are the remarks on the unseemly alacrity with which some men drop their pens or pencils promptly at 12 or 4 o'clock, as the case may be, even though members of the public, who may have been waiting for some time, are thereby left unattended.

Behind these complaints there is probably a good deal of ignorant prejudice and unreasonableness, or even ill-will, on the part of some who cherish a general grievance against the Customs, but that there is reasonable ground for dissatisfaction is unfortunately true. At many ports the ruling of Circular No. 405 has come to be regarded in practice as sanctioning the office working day for the staff to be from 10 a.m. to 4 p.m., with an interval varying from an hour to two hours for tiffin, that is to say, a working day in some cases of from four to four and a half hours, or at the best five hours.

At several of the very small and distant outports an office day of five hours may be adequate to keep all work up to date, but it is manifestly not so at the great majority of ports. At these latter places experience shows that smooth and efficient running of the office, with the prompt discharge of each day's duties in proper time and the punctual rendering of all reports, returns, etc., demands at least a full six-hours working day for all members of the office staff. I say "all members of the office staff" with the emphasis on the word "all," for it is too often true that office work is very unevenly divided, with the result that an unfair advantage is taken of the more willing and hard-working men, who are often obliged to come early, work late, and shorten, or even in some cases give up, the tiffin hour in order that current work may not fall behind.

The remedy, so far as a general remedy can be applied, for this state of affairs lies not so much in a mere increase of staff as in a more equitable division of work. Six full hours office work a day for the pay now given is not exacting, and the head of each office or department should see to it that as far as possible the routine of his office is so arranged as to ensure that each man under him does a full six-hour day's work and that, in time of undue pressure at any one desk, necessitating overtime duty, men at other desks where work is less pressing are called in to assist. The practice of allowing members of the staff to walk out punctually at closing time, leaving others to finish the day's work when they themselves should be lending a hand, is to cease. There is no room in the Service to-day for employees of the clock-watching type, and men of that stamp should be warned accordingly.

I have therefore to instruct you to note—

- (1) That the staff office hours in future for the Customs at all ports are to be on the basis of a full six-hours working day, beginning either at 9 a.m. or 9.30 a.m. and ending either at 4, 4.30, or 5 p.m., according as one hour, or an hour and a half, is allowed for tiffin;
- (2) That the hours during which the office staff is to be on duty, *e.g.*,:

|              |             |           |           |
|--------------|-------------|-----------|-----------|
| { 9-12       | { 9-12      | { 9-12.30 | { 9.30-12 |
| { 1-4        | { 1.30-4.30 | { 2-4.30  | { 1.30-5  |
| { 9.30-12.30 |             |           |           |
| { 2-5        | etc.,       |           |           |

are to be recorded in English and Chinese on a permanent notice-board posted at the desk at which the staff signs on each morning;

- (3) That the signing-on register is to be closed punctually at five minutes past staff opening time each morning and the register handed to the Commissioner or Deputy Commissioner, so that late-comers will have to explain their dilatoriness to the head of the office;
- (4) That the hours for the public, as distinct from those for the staff, are to be from half an hour after staff opening time, *i.e.*, 9.30 a.m. or 10 a.m., to half an hour before staff closing time;
- (5) That the hours during which the Custom House is open to the public for the transaction of business are to be recorded in Chinese and English on a permanent notice-board at the entrance to the Custom House; and
- (6) That a report, indicating the hours for staff and for public that have been put into force at your port and stating that the above notice-boards have been duly erected, is to be sent to me by official despatch.

Commissioners in charge of ports where conditions are so exceptional as to justify the enforcement of working hours other than those indicated in this Circular are to submit a report specifying these conditions and suggesting what hours both for office staff and for the public would be the most suitable.

A copy of this Circular, both English and Chinese versions, is to be inserted in your Order Book for the information of your staff.

I am, etc.,

F. W. MAZE,  
*Inspector General.*



## ENCLOSURE.

## 總稅務司通令第四零零二號

爲令遵事案查各關辦公時間在四十年前本早已於第四零五號通令內規定即每年四月至九月每日自上午十時起至下午五時止十月至次年三月每日自上午九時起至下午四時止其對外之時間全年自上午十時起至下午四時止除每日午膳停止工作一小時外每日應實行工作六小時無如此項規定時間在各關多因地方習慣關係未能切實奉行其有奉行者亦多誤解爲每日自上午十時至下午四時爲人員辦公時間其中再扣除一小時至二小時午膳時間每日人員辦公時間僅有四小時或四小時半或至多不過五小時此項時間在前數十年商業未興關務較少或可敷各關辦公之用而近年來商業日盛關務日繁此項辦公時間實不足以資應付加以各關人員拘守時間待時而來屆時卽去雖有商人守候多時者如一逾時間亦置諸不理積壓關務妨礙商業以致人言嘖嘖羣相詰責若長此以往非止有礙商業爲公衆所訾議卽各關內部之工作亦恐積壓日多有失海關向來工作敏捷之令譽在各較小關署每日人員辦公時間有四五小時或可足資應付若在較大關署如欲公務當日清結所有案牘及報告表

冊不致積壓非全體人員每日實行工作六小時不爲功所謂全體人員者係指每一人員均須實行工作六小時而言蓋現時各關人員工作之分配多勞逸不均勤奮者往往早值晏歸甚至因公廢食而清閑者則袖手旁觀屆時卽去如不加以改善非止稽延關務亦不足以昭勸勵是以欲求各關關務不至稽延而免外人之物議不在乎多添人員而在乎真正實行六小時之工作及職務之平均分配現在各關關員待遇良好薪俸優越食祿盡忠本個人職分之所當爲每日六小時之實行工作殊非過鉅嗣後各關各科主任人員對於各科事務之分配應特加注意務使每一人員均有六小時之實行工作如遇某一科事較清閒而某一科事較繁劇時得由事務清閒之部分酌調人員前往助理各科人員不得再有不待他科事務完竣卽准時而去之陋習如敢違犯者定當立予懲戒不稍寬貸茲將重定辦公時間分條開列於下

一 嗣後各關內部人員辦公時間應以足六小時爲標準卽每日自上午九時或九時半起至下午四時或四時半或五時止其間酌定一小時或一小時半爲午膳時間

二 關員每日辦公時間各關應於規定後繕具漢英文佈告各一份在各該關關員每晨簽到處永遠張貼以資遵守其時間列下

上午九時起至十二時止

下午一時起至四時止

或上午九時起至十二時止

下午一時半起至四時半止

或上午九時起至十二時半止

下午二時起至四時半止

或上午九時半起至十二時止

下午一時半起至五時止

或上午九時半起至十二時半止

下午二時起至五時止

三關員簽到考勤簿應於每晨關員開始辦公時間後五分鐘一律繳呈各該關稅務司或副稅務司查核如有遲到者應即向該管主任中述遲到原因以憑核辦

四各關對外辦公時間自與關員在關辦公時間不同上午開始應較關員辦公時間晚半小時下午停工應較關員散值早半小時

五各關規定對外辦公時間後應繕具漢英文佈告各一份張貼各關出入衝要之處俾衆週知

六各關施行此項規定時間及張貼上述佈告後應即具文呈報備案

所有以上規定如各關因地方特殊情形認為有斟酌更改之必要者得由各該關稅務司聲明緣由呈請更改以期適合當地之需要爲此合行令仰各關稅務司遵照並轉飭所屬一體懷遵毋違此令

## CIRCULAR No. 4021 (SECOND SERIES).

**Works Department: incorporation of Architectural branch in  
Inspectorate Staff and reversion of Engineering  
branch to Marine Department notified.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *7th January 1930.*

SIR,

With reference to Circulars Nos. 1887 and 1888: \*

Notifying the reorganisation of the Service into Departments  
and describing in detail the constitution and functions  
of the newly created Works Department:

I have to inform you that from the 1st January 1930 the Architectural branch of the Works Department will be incorporated in the Inspectorate Staff. While recognising that certain advantages have resulted from the organisation of the Engineering and Architectural departments as one unit, I have nevertheless come to the conclusion that greater efficiency will be attained through segregation.

The Architectural Staff will continue to function in their present offices and will work in close collaboration with the Engineering Staff, but will in future form part of the Property Office of the Inspectorate. All correspondence and returns in connexion with Service (Revenue) property, furniture, etc., will accordingly be addressed in future to the Inspectorate instead of the Works Department. As, however, the Architectural Staff will have their own archives, an extra copy of such documents is to be provided. Copies of despatches dealing with Marine property or with harbour works are to continue as heretofore to be sent to the Engineer-in-Chief for his comments.

The Engineer-in-Chief will receive in due course detailed instructions regarding the withdrawal of the Architectural Staff from his Department.

The Works Department will hereafter thus cease to exist, and the department presided over by the Engineer-in-Chief will revert to its former designation of Marine Department, 1°. Engineers Staff. And it is fitting for me to place on record my high appreciation of the excellent services rendered by the late Engineer-in-Chief,

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\* *Antea*, vol. iii, pp. 64, 68.

Mr. David C. Dick,\* and the present Engineer-in-Chief, Mr. L. Tweedie-Stodart,† in connexion with the organisation and administration of the Works Department.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* David Crawford Dick was born on the 8th August 1866 at Edinburgh, and was educated at Daniel Stewart's College, Edinburgh. He was trained as a quantity surveyor, and subsequently joined the firm of Messrs. D. & C. Stevenson, MM.I.C.E., General Civil Engineers and Engineers to the Scottish Lighthouse Board, with which firm he remained as an assistant for about nine years. He left Messrs. Stevenson to go to Gibraltar as an Assistant Engineer with Messrs. Topham, Jones, and Railton, contractors for the Gibraltar Harbour and Dockyard Scheme Constructional Works, where he was employed for about a year and a half. He left Gibraltar in May 1900 to join the Engineer's Staff of the Marine Department of the Chinese Customs Service as Assistant Engineer, a post which he held till the 31st May 1908 when he was appointed Engineer-in-Chief in succession to the late J. R. Harding. He held this latter post till his death on the 8th May 1919 at Altoona, Pennsylvania, U.S.A. Mr. Dick's incumbency of the Engineer-in-Chief's post was marked by active modernisation of existing lights, the introduction of vaporised petroleum burners, gas made from oil by the Pintsch method, and the reconditioning of old stations, re-equipping them with up-to-date optical and other apparatus. In 1910 the establishment at Steep Island was brought up-to-date and provided with a fog siren of the latest type, and the buildings at North Saddle reconstructed. In the following year the Taku lightship was replaced by a new steel gas-lighted vessel with a 45,000 candle-power light. Two years later Shaweishan was practically rebuilt and provided with a new group-flashing light and a powerful compressed-air fog siren. Chilang Point lighthouse, at the time of its construction one of the most powerful in the world, was built in 1911, and Elgar Island in the year following. In 1916 the North Saddle station was overhauled, and a new first-order light was installed with an incandescent mantle burner of half a million candle-power on a mercury float. It was during Mr. Dick's time in 1918 that the Lamocks Island lighthouse was wrecked by earthquake. Mr. Dick, who had been an Associate Member of the Institute of Civil Engineers, Great Britain, since 1895, attained full membership in 1914. He held Civil Rank of the 4th Class and the Order of the Chia Ho, 3rd Class.

† Lawrence Tweedie-Stodart was born on the 26th September 1876 at Oliver, Tweedsmuir, Scotland, and was educated at Heriot-Watt College and Edinburgh University. After four years' pupilage with Messrs. D. & C. Stevenson, Engineers to the Scottish Lighthouse Board, he served for a year as assistant to that firm, gaining experience in harbour, river, and lighthouse work. The next six years were spent under the British Admiralty Naval Works Loan Department, being engaged first on the Devonport Dockyard and Naval Base and subsequently on the Gibraltar Harbour, Dockyard, and Naval Base Construction Scheme. On completion of the latter scheme Mr. Tweedie-Stodart on the 20th May 1907 joined the Engineer's Staff of the Marine Department of the Customs Service as Assistant Engineer. On the death of Mr. Dick he was appointed Engineer-in-Chief from the 1st June 1919, and this post he held till the date of his retirement on the 25th September 1936. In August 1930 Mr. Tweedie-Stodart was appointed as China's representative at the Lisbon Conference on the unification of buoyage and the lighting of coasts summoned by the League of Nations (*vide* I.G. Cir. Nos. 4114 and 4177, *postea*, vol. iv, p. 372). He was also selected to attend the Lighthouse Conference held at Paris in 1933, and was appointed Technical Adviser to the Chinese delegation to the International Lighthouse Conference held at Berlin in July 1937. During Mr. Tweedie-Stodart's tenure of office as Engineer-in-Chief the work of modernising the lights on China's coast was continued: new improved optical apparatus with modern revolving machinery and burners was installed at Dodd Island and North-east Shantung Promontory in 1921, at Howki in 1922, and at Lamocks and Turnabout in 1924. New light-stations were established in 1923 at Ki Au in the Canton delta, at Antung in 1925, and at Tsaofeitien

## CIRCULAR No. 4025 (SECOND SERIES).

**Import Tariff: import duties to be on gold basis from  
1st February 1930; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *20th January 1930.*

SIR,

1.—With reference to Circular No. 3854,\* notifying the introduction from the 1st February 1929 of the new Import Tariff of the Republic of China, I have now to append, for your information and guidance, copy of Ts'ai-chêng Pu despatch No. 14725, from which you will see that, in view of the recent heavy fall in the gold price of silver, apprehension has been felt that the revenue for the present year may not be sufficient to meet its foreign loan obligations and that, in order to protect its revenue, the Government has decided that from the 1st February 1930 the Haikwan tael, as the unit of calculation for import duties, shall be abolished and all import duties collected uniformly on the basis of a Customs Gold Unit, which unit has been fixed by the Government at 60.1866 centigrammes of pure gold, equal to *Gold* \$0.40, *Pence* 19.7265, or *Gold Yen* 0.8025. You will further see that, from the 1st February to 15th March inclusive, import duties are to be collected at the rate of *Hk.Tls.* 1 =  $1\frac{1}{2}$  Customs Gold Units (representing the average rate of exchange for the last three months of 1929, *i.e.*, *Shanghai Tls.* 1 = *2s.*  $2\frac{1}{2}d.$ ) and that from the 16th March onwards import duties are to be collected at the rate of *Hk.Tls.* 1 =  $1\frac{3}{4}$  Customs Gold Units (representing the average rate of exchange for the month of January 1929, *i.e.*, *Shanghai Tls.* 1 = *2s.*  $7d.$ ). You will further note that dollars and taels and other silver coinage in common use may still be used for the purpose of payment of duty and that the exchange rate between these various silver currencies and the Customs Gold Unit is to be decided by the Inspector General from time to time, giving on each occasion three days' notice to the public of any intended change in rates.

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in the same year. Between the years 1920 to 1932 no fewer than 16 improved modern optical apparatuses were installed in the more important lighthouses along China's coast. It was during his time, too, that wireless signal stations were introduced, the first being erected at North Saddle Island in 1928. Mr. Tweedie-Stodart holds the 5th and 3rd Classes of the Order of the Chia Ho and the 6th Class of the Order of the Brilliant Jade.

\* *Antea*, vol. iv, p. 155.

2.—In connexion with the above, my circular telegram of 18th January instructed you, *inter alia*, to issue, in conjunction with the Superintendent, the following notice to the public:—

“ On and after 1st February 1930 the Haikwan tael will be discontinued as the unit of calculation of duties on imports from abroad. Instead, a new gold unit will be used. This unit will be equal to 60.1866 centigrammes of pure gold and will, therefore, be equivalent to *Gold* \$0.40 or 19.7265 pence sterling, or 0.8025 gold yen. From 1st February to 15th March 1930, inclusive, specific duties on imports from abroad now expressed in Haikwan taels will be converted into the new unit on the basis of *Hk.Tls.* 1 equal 1.50 of the new unit; and, beginning with 16th March 1930, on the basis of *Hk.Tls.* 1 equal 1.75 of the new unit.

“ As heretofore, dollars, taels, and other currencies will be received in payment of duties. The rates at which such currencies will be accepted in payment of duties expressed in the new unit will be officially announced from time to time. At least three days' notice will be given in the event of change in rates.”

3.—You will readily perceive that the step now taken by the Government in introducing a Customs Gold Unit as the medium of payment of import duties on goods arriving from abroad will be fruitful of momentous consequences, not only to Customs revenue, but to the country at large, and that it behoves us as a Government organ to spare no effort in our endeavour to make the introduction of this new Customs Gold Unit a success. In the beginning difficulties will no doubt be experienced. Those of a major nature should be referred to me; but at the same time I rely on your tact and ability to settle locally any minor issues consistently with the instructions contained in this Circular.

4.—Your first difficulty will no doubt be to persuade your collecting bank to agree readily to the keeping of the new Gold Unit Import Duties Account. You should in this connexion explain to the banker that the Gold Unit will, in fact, represent merely a currency of account and that he will have to be responsible to you only for the actual sums received in recognised local currencies, and that remittances to the I.G.'s Foreign Revenue and Revenue Suspense Accounts at Shanghai are to be made, as heretofore, in silver, *i.e.*, Shanghai taels. A check should be applied each day between the amount of Gold Units paid in duty, as shown by the bank-chopped Duty Memos. returned to your office, and the amounts received by the bank in local currencies at the officially published rates.

5. *Rates*.—With regard to the periodical official rates which will be wired to you for converting the Customs Gold Unit into your local currency, I must instruct you to bear in mind that when I wire you a rate, say, “Gold Unit 1 = *Hk.Tls.* 0.72,” you should take it to mean that one Customs Gold Unit is then worth at your port the Haikwan tael figure wired to you and that by converting this Haikwan tael figure at your fixed collection rate for local currencies you will arrive at the equivalent of one Gold Unit expressed in terms of local coin. You should note that the Haikwan tael is retained in this connexion simply as a convenient means of communicating rates. For instance, if the rate for *Hk.Tls.* 100 is fixed at your port as being equal to *Hongp'ing Tls.* 105, and the rate wired to you is “Gold Unit 1 = *Hk.Tls.* 0.72,” then at the following calculation ( $\frac{105 \times 72}{100}$ ) Gold Unit 1 will equal *Hongp'ing Tls.* 0.756. Or, again, if the rate for *Hk.Tls.* 100 is fixed at your port as being equal to \$155.63, and the wired rate at *Hk.Tls.* 0.72 is thus applied ( $\frac{155.63 \times 72}{100}$ ), then the Customs Gold Unit is worth \$1.12 at your port.

6. *Office Procedure: Ad Valorem Duties*.—It should be noted that while the wording of the notice which I instructed you to publish in my telegram of the 18th January stated that the specific rates of the Tariff were to be converted into Customs Gold Units, it is, of course, the intention of the Government that foreign imports paying duty *ad valorem* are also to pay on a Gold Unit basis as well as articles paying a specific tariff duty. You are to note, therefore, that the wording of Rule 1 of the “Import Tariff Provisional Rules” is to be changed to read as follows:—

The duty-paying value of any import liable to an *ad valorem* rate of duty shall be determined on the basis of the wholesale market value of the goods at the port of importation. The value shall be converted from other currencies into Customs Gold Units at the official rates fixed for this purpose. The value in Customs Gold Units shall be considered to be higher than the duty-paying value by—

- (a) The amount of the duty on the goods, and
- (b) 7 per cent. of the duty-paying value of the goods.

The formula for ascertaining duty-paying value is:—

$$\frac{\text{Wholesale market value} \times 100}{100 + \text{Duty rate} + 7}$$

e.g.:  $\frac{\text{C.G.U. } 60 \times 100}{100 + 12\frac{1}{2} + 7} = \frac{\text{C.G.U. } 6,000}{119.5} = \text{C.G.U. } 50.21 = \text{Duty-paying value.}$



The public is to be notified of the change in the wording of this rule. A new edition of the Import Tariff in Gold Unit rates valid as from 16th March will be issued as soon as possible, and in the meantime you should experience no difficulty in employing the present Tariff, bearing in mind that, at the ratio of *Hk.Tls.* 1 = Customs Gold Unit 1.50 for the period 1st February to 15th March inclusive, you will arrive at the Gold Unit rate for each article during that time by adding one-half to the present Tariff duty rates.

Assessments of import duties are to be noted on Applications and Duty Memos. in Gold Units, and your Import Duty Register is similarly to be kept in Gold Units, while a separate record of the daily total import duty collection will have to be kept, in order to enable you to render a statement in Gold Units, Haikwan tael and local currencies, which, as will be explained later, is to accompany your monthly [*B.—6*] report.

Distinction should, as at present, be shown between Old 5 per cent Revenue and Additional Duty and Surtaxes. When calculating the amount of duty, three decimal places are still to be used, raising the third place by 1 if the fourth place is 5 and over.

*Drawbacks.*—From the 1st February all drawbacks on imports which have paid duty on the Gold Unit basis are to be issued in Customs Gold Units. This means that a Gold Unit drawback, so far as the Customs is concerned, is worth only the Gold Unit amount for which it is issued irrespective either of its value in silver at any time or of the cost of Gold Units in silver at time of original import. Drawbacks in Customs Gold Units marked for cash payment are payable at the rate prevailing on date of encashment. Drawbacks for duty collected on the silver basis are to continue to be paid in silver.

*Export and other Dues and Duties.*—With the exception of export and coast trade duties and outward transit and tonnage dues, which are to continue to be collected as at present on a Haikwan tael basis, all dues based on import duty figures, such as inward transit dues, wharfage and conservancy dues, etc., are to be levied on the old 5 per cent. Import Tariff on the Gold Unit basis both for specific and *ad valorem* rates.

*Withdrawal from Bond.*—Merchants having import cargoes in bond prior to the enforcement of the Gold Unit Tariff are entitled to pay import duty on the former Haikwan tael basis if the cargo is withdrawn from bond before the 30th April next. If withdrawn after that date, the duty then prevailing is to be levied. The public should be notified to this effect.

7. *Revenue Accounts Treatment*.—Although the import duties on goods from abroad are to be assessed in terms of Customs Gold Units as from 1st February this year, port remittances are, as indicated above, in § 4, to continue to be effected in silver, and I must here emphasise the necessity of remitting at very frequent intervals in order to minimise the risk of loss by exchange. As regards the rendering of your monthly Report of Dues, Duties, and Surtaxes, [B.—8], and Revenue Collection and Disposal Account, [B.—6], you are to keep the latter account, [B.—6], in the same way as at present, except that when rendering this account you will have to state two *Haikwan tael* figures with regard to both “Foreign Revenue” and “Additional Duty and Surtaxes” Accounts. Under “B. Total Collection” on the Dr. side, as you will see from the appended *pro forma*,\* you are to show under headings 1 and 4 separate figures representing the duties collected in Gold Units—that is, import duties and inward transit dues,—and separate figures showing all other duties and surtaxes. The figures giving the Gold Unit collection must be supported by a statement showing how the *Haikwan tael* amounts are arrived at, by converting the total Customs Gold Units (as per [B.—8]) collected during the month at the different rates wired to you. This statement should be drawn up on the lines of the following *pro forma*:—

(1) FOREIGN REVENUE ACCOUNT.

*Total Gold Unit Collection of Import Duties and  
Inward Transit Dues.*

|  |      |            |         |         |            |        |             |
|--|------|------------|---------|---------|------------|--------|-------------|
| 1st period:  | G.U. | 25,000.000 | @ 0.72= | Hk.Tls. | 18,000.000 | @ 155= | \$27,900.00 |
| 2nd  | „    | 28,000.000 | @ 0.73= | „       | 20,440.000 | @ „    | „ 31,682.00 |
| 3rd  | „    | 19,000.000 | @ 0.74= | „       | 14,060.000 | @ „    | „ 21,793.00 |
| <hr/>  |      |            |         |         |            |        |             |
| G.U. 72,000.000 @ var. =Hk.Tls. 52,500.000 @ 155=\$81,375.00 |      |            |         |         |            |        |             |
| <hr/>  |      |            |         |         |            |        |             |

(2) ADDITIONAL DUTY AND SURTAXES ACCOUNT.

*Total Collection on Foreign Imports.*

|  |      |            |         |         |            |          |             |
|--|------|------------|---------|---------|------------|----------|-------------|
| 1st period:  | G.U. | 38,000.000 | @ 0.72= | Hk.Tls. | 27,360.000 | @ 155=\$ | 42,408.00   |
| 2nd  | „    | 47,000.000 | @ 0.73= | „       | 34,310.000 | @ „      | „ 53,180.50 |
| 3rd  | „    | 29,000.000 | @ 0.74= | „       | 21,460.000 | @ „      | „ 33,263.00 |
| <hr/>  |      |            |         |         |            |          |             |
| G.U. 114,000.000 @ var. =Hk.Tls. 83,130.000 @ 155=\$128,851.50 |      |            |         |         |            |          |             |
| <hr/>  |      |            |         |         |            |          |             |

As transit dues are recorded separately in the [B.—8] report, you are to render on this form the figures for these dues in the same

\* Not printed.

way as the Gold Unit import duties are recorded under the heading "Import." You are to attach a statement showing how the Haikwan tael figures are arrived at for import duty and inward transit dues, drawn up on the lines of the following *pro forma*:—

*Total Collection of Import Duty.*

|             |                          |                           |                |
|-------------|--------------------------|---------------------------|----------------|
| 1st period: | G.U. 24,970.000 @ 0.72=  | Hk.Tls. 17,978.400 @ 155= | \$27,866.52    |
| 2nd    "    | "    27,975.000 @ 0.73=  | "    20,421.750 @    "    | "    31,653.71 |
| 3rd    "    | "    18,960.000 @ 0.74=  | "    14,030.400 @    "    | "    21,747.12 |
| <hr/>       |                          |                           |                |
|             | G.U. 71,905.000 @ var. = | Hk.Tls. 52,430.550 @ 155= | \$81,267.35    |

*Total Collection of Inward Transit Dues.*

|             |                      |                       |            |
|-------------|----------------------|-----------------------|------------|
| 1st period: | G.U. 30.000 @ 0.72=  | Hk.Tls. 21.600 @ 155= | \$ 33.48   |
| 2nd    "    | "    25.000 @ 0.73=  | "    18.250 @    "    | "    28.29 |
| 3rd    "    | "    40.000 @ 0.74=  | "    29.600 @    "    | "    45.88 |
| <hr/>       |                      |                       |            |
|             | G.U. 95.000 @ var. = | Hk.Tls. 69.450 @ 155= | \$107.65   |

With regard to the preparation of your [B.—8] report you are to note that under the heading "Import" the figures in Haikwan taels are to be entered as heretofore, but, as you will see from the appended *pro forma*,\* the equivalent in Customs Gold Units is also to be given in *red ink*.

The carrying out of the above instructions will render unnecessary the directions of my telegram regarding the preparation of separate [B.—6] and [B.—8] reports.

8.—Your office allowance, the Superintendent's allowance, and all other charges upon revenue, as at present authorised, are to continue, till further notice, to be paid from revenue on the Haikwan tael basis.

9.—The instructions of this Circular are not applicable to Native Customs import duties, except where these are derived from levies on direct foreign imports collected by Native Custom Houses on behalf of the Maritime Customs.

10.—The values in trade returns will continue to be kept in Haikwan taels; any changes that may be necessitated by the adoption of the Gold Unit will be communicated to you later.

11.—It is fitting as a matter of historic interest to place on record the fact that the step now taken by the Government of collecting its import duties on a gold basis was first suggested\* in 1901 by Sir Robert Hart, when the Government was faced with the difficulty of securing sufficient funds to cover both the foreign obligations then existing as a charge on revenue and the newly imposed Boxer Indemnity.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* The placing of import duty rates on a gold basis was actually first suggested to the Chinese Government by Sir Robert Hart as far back as 1896. In that year the Viceroy Li Hung-chang, while on his world tour, handed to the authorities in England, Russia, Germany, France, and the United States copy of a memorandum prepared for him by Sir Robert Hart in which it was pointed out that in 1843, when the treaty tariff was first drawn up, and again in 1858 when it was revised, the Haikwan tael, the special silver tael in which duty rates were expressed and according to which duties were paid, held practically a fixed value in relation to sterling of six shillings and eightpence, or three taels to the Pound. The memorandum pointed out how silver had depreciated in sterling value, so that in 1896 it required from six to seven taels to purchase a Pound, how Chinese outlay in the purchase of foreign exchange for service of loans, upkeep of legations, building of ships, etc., had increased enormously, and argued that as a matter of fairness the original value of the Haikwan tael should be re-enunciated and "that the value of silver at which China consented to collect duties, viz. three taels to the Pound, be observed and adhered to." The memorandum proposed that duties might be paid in gold or in sycee or in foreign coins, and elucidated the procedure if payment were made in either of the latter two media. In effect this would have made the Haikwan tael a gold unit equivalent to six shillings and eightpence sterling. The proposal did not meet with an enthusiastic reception. Hart's second attempt to place the Haikwan tael on a gold basis was made in 1901 when the Chinese Government were faced with the perplexing situation of securing sufficient funds to cover both the foreign obligations then existing as a charge on the Customs revenue and the newly imposed Boxer Indemnity. On this occasion Hart submitted to a committee of representatives of the Powers a memorandum in which he once more argued in favour of fixing a sterling value of six shillings and eightpence for the Haikwan tael in the payment of import duties (Wright: "China's Customs Revenue since the Revolution of 1911," p. 173). The proposal was as little acceptable in 1901 as it had been in 1896. Finally, in May 1902, Hart for the third time brought forward his suggestion of establishing the Haikwan tael on a gold basis, this time in a memorandum to the International Tariff Commission, then sitting at Shanghai. On this occasion Hart suggested that the rate of exchange laid down in the Peace Protocol of 1901 of Gold \$0.742 to the Haikwan tael should be fixed as the gold basis for this tael. Again the proposal was not accepted. (Wright: "China's Struggle for Tariff Autonomy, 1843-1938," pp. 345, 354, 363; also *postea*, vol. vi, pp. 584-594, 604-610, 610-612.)

## ENCLOSURE.

財政部令第一四七二五號 中華民國十九年一月十五日

令總稅務司梅樂和

爲令遵事查近日金價暴漲銀價跌落致本年償付關稅擔保外債已有不敷之虞茲爲妥籌根本救濟辦法業由政府決定自二月一日起徵收海關進口稅一律改用海關金單位計算海關金單位並由政府規定值 60.1866 鎰純金等於 .40 美金 19.7265 辨士 .8025 日金自二月一日至三月十五日進口稅按關平一兩合一海關金單位有半（此係按十八年末三月之平均匯率規銀一兩合二先令二辨士半折）自三月十六日起關平一兩合一海關金單位又百分之七十五（此係按十八年一月之平均匯率規銀一兩合二先令七辨士折合）但銀元銀兩及其他通用銀幣納稅仍准使用其與海關金單位之折合率應由該總稅務司隨時於三日前公布仰卽遵照辦理此令

## CIRCULAR No. 4037 (SECOND SERIES).

**Gold Unit: rate of equivalence in local currency to be based on daily opening market rate between gold dollar and local currency.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 28th February 1930.

SIR,

With reference to Circular No. 4025:\*

Notifying the introduction from 1st February this year of a Gold Unit for the calculation of duties on imports from abroad; and instructing you, *inter alia*, that the rates at which local currencies will be accepted in payment of duties expressed in Gold Units are to be officially announced from time to time, at least three days' notice to be given in the event of change in rates, and that periodically an official rate would be telegraphed to you by means of which you could calculate the equivalent in local currency of the Gold Unit:

I have now to append, for your information and guidance, copy of despatch No. 15841 from the Ministry of Finance, from which you will see that, on account of the daily fluctuations in the exchange rate between gold and silver, thereby affecting adversely the import duty collection, which at present is collected at a rate valid for a number of days, the Ministry has decided that, in future, at all ports where there is a gold exchange market the Customs Gold Unit/local currency rate is to be fixed daily on the basis of the gold dollar, or alternatively gold yen or sterling, T.T. rate published daily by the exchange banks at the opening of the market. The collecting rate so fixed is to rule for the whole of that day irrespectively of exchange fluctuations. On a bank holiday which is not a Customs holiday the collecting rate to be used is that which ruled on the day previous.

This order affects primarily the larger ports, such as Harbin, Dairen, Newchwang, Antung, Tientsin (with Chinwangtao), Kiaochow, Chefoo (with Lungkow), Hankow, Shanghai, Foochow, Amoy,

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\* *Antea*, vol. iv, p. 261.

Swatow, Canton, Kowloon, and Lappa, and these ports have already been instructed telegraphically to put this new procedure into effect from 1st March.

Later on it can be arranged, if necessary, that one or other of these larger ports may telegraph, by an agreed code, its daily collecting rate to the smaller ports in its region; but in the meantime, until experience shows what is advisable in this respect, all the ports not specified above will continue to receive from the Inspectorate periodical instructions as at present giving the official rate on the basis of which is to be calculated the equivalent of the Customs Gold Unit in a port's local currency.

I am, etc.,

F. W. MAZE,

*Inspector General.*

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ENCLOSURE.

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財政部訓令關字第一五八四一號 中華民國十九年二月十七日

令總稅務司梅樂和

爲令遵事查海關金單位與銀元銀兩及其他通用銀幣之折合率業經令飭該總稅務司隨時於三日前

規定公布在案查是項折合率往往一日數變爲求切合實際起見所有各大口岸仰飭由各該口稅務司

規定每日之通行匯率爲海關金單位之折合率至其餘各口岸仰該總稅務司隨時規定令關遵照仰卽

遵照並轉飭各關稅務司一體遵照此令



## SEMI-OFFICIAL CIRCULAR No. 66.

Superintendent and Commissioner: relative position of:  
erroneous impressions *in re*, refuted.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 2nd May 1930.

SIR,

It seems that the phraseology adopted occasionally during the past few years in communications emanating from the Ministry of Finance and the Kuan-wu Shu to Superintendents concerning Customs affairs—viz., 轉飭該關稅務司遵照辦理—has created the idea in some quarters that the relative position of Superintendent and Commissioner has been modified to the extent of making the latter, in effect, the subordinate of the former. The above expression, however, has been defined by the Shu as meaning that Superintendents are to transmit—not issue—instructions to Commissioners and that they are of equal rank, etc. (*vide* Chinese correspondence appended hereto). And such current incidents of civil war as the partial loss of control over inland waters traffic in some places, the acceptance by the Customs of depreciated notes in Hankow, the cessation of active search for opium on the Yangtze, and the severance in 1927 of the Wuhu Native Customs from the Maritime Customs Administration, etc., have also been cited as indicating that the prestige of Commissioners has followed what has been described as the downward trend of the foreigners in China; while a member of the Hankow British Chamber of Commerce recently stated, it is said, that the local Customs were “emasculated,” owing to the subserviency of the Commissioner to the Superintendent.

In view of what precedes, it is perhaps desirable to examine some of the postulates on which the above fallacious reasoning rests, and to place on record a few general observations in connexion therewith. With reference to inland waters traffic, it is irrational to expect Commissioners of Customs to be always competent to enforce rigidly Inland Waters Regulations in every quarter of China at the present time, and still more unreasonable to connect failure to do so with the supposed ascendancy of Superintendents. Many of the Customs districts concerned are, or have been, the centres of unprecedented disorder, and the *de facto* authorities concerned are

often either unwilling or unable to support our authority. But even in comparatively peaceful times my experience has been that the provincial authorities sometimes oppose the extension of foreign trade under Inland Waters Rules. During the period 1921 to 1924, for example, the Hankow local government categorically declined to permit the Customs to extend to foreign shipping all of the facilities in regard to inland waters navigation which the Regulations permitted and which were accorded to Chinese vessels. But such reactionary policy had no relation whatever with the relative position of the Hankow Superintendent and Hankow Commissioner! Turning to the question of opium—for many years past the illicit opium traffic on the Yangtze and elsewhere has been controlled by quasi-official agencies, and in such circumstances the Customs have wisely confined the major part of their preventive activities to dutiable articles, but naturally opium, like any other commodity shipped without permits, is seized when found. And in regard to the Wuhu Native Customs—here, again, the issue concerned had no relation to the local attitude of the Superintendent *vis-à-vis* his colleague the Commissioner! When the victorious Nationalist forces swept down the Yangtze in 1927, the normal conduct of Customs affairs was interrupted, and the authority of the Commissioners concerned suffered accordingly. Nevertheless, we have, in fact, regained much of the lost ground and our authority on the Yangtze has been restored. In proof of this I may mention that revenue remittances from the River Ports, and elsewhere, continue to flow uninterruptedly into my Revenue Accounts in the Hongkong and Shanghai Bank and the Central Bank in Shanghai; and we need not, I believe, stop to consider whether “emasculated” establishments are sufficiently powerful to effect such an achievement! And, besides, it should be remembered that the Government have not merely authorised us to resume control of the Wuhu Native Customs, but have actually placed in my hands the direct administration of the important Fengyang (鳳陽關) and the Yangyu (揚由關) Customs; the Wuhu *extra-50-li* Native Customs; and the Wenchow *extra-50-li* Native Customs (*vide* Circular No. 4069).<sup>\*</sup> I ought to mention, furthermore, that on several occasions of late the Kuan-wu Shu have raised the question of abolishing the post of Superintendent altogether and investing Commissioners with the work and responsibilities which now attach to that official, and that I have advised against change for the present—at Szemao, however, special circumstances rendered it desirable to give immediate effect to this proposal (*vide* Circular

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<sup>\*</sup> *Postea*, vol. iv, p. 289.

No. 4038). The above attitude of responsible Chinese authorities appears to confirm the opinion that the relative position of Superintendent and Commissioner remains very much the same to-day as it was in Sir Robert Hart's time.\* And it is perhaps desirable to recall a few of his lucid remarks on the subject, which, as has been remarked before, are as relevant in 1930 as they were when first written in 1873! He stated, for example, that the Superintendent is the Chinese official directly responsible for the administration of the port, while the Commissioner is indirectly responsible—the first carrying on work according to established practice and as the Government's representative, and the second, the Inspector General's representative, performing duties along new lines in conformity with novel treaty stipulations, and both working on a footing of equality, but the Commissioner, an alien, ranking after, and the Superintendent—the responsible Chinese—taking precedence; that the Superintendent's responsibilities extend to both recording and executive departments; that the Commissioner, therefore, ought not to take umbrage at the disposition an active Superintendent may evince to inquire into matters, or even, as sometimes happens, at a Superintendent's tendency to question or criticise the Commissioner's action, remembering that official actions are open to official criticism; that at all times and on every side, it is to be, above all things, borne in mind that the Commissioner and his staff are intended to act with, assist and supplement, and not to ignore, displace or replace Chinese authority; and that when there is any appearance of difference of opinion, the Commissioner ought to go into the matter very thoroughly with the Superintendent, and the two should together decide what course to follow. Where the difference is of a kind that cannot be settled, no ill feeling need result on either side, and both parties can good-humouredly give way to the rule that the Superintendent's views are to be acted on till the Government's opinion can be ascertained.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* On this question of the relative position of Superintendent and Commissioner, *vide antea*, vol. i, pp. 39, 303–304, 311–324; vol. ii, p. 476.

## ENCLOSURE.

總稅務司呈 關務署函關字第八號 中華民國十八年六月二十八日

敬啟者竊查各關監督與稅務司職權地位向屬平等所有來往文牘皆用公函或咨文至於會銜布告亦係平等列銜行之歷有年所現在

國民政府對於此項辦法並無明令變更而近來歷奉

鈞署令行 職署或各關監督文中常有「令某關監督轉飭該關稅務司遵照辦理」字樣似於各關監督與稅務司向來所處平等之地位略有未符擬請

鈞座俯賜鑒核此後關於令文中前項字樣是否應行更改以維各關監督與稅務司向來所處平等之位而免悞會相應函祈

酌奪辦理爲荷此致

財政部關務署長張

財政部關務署指令第八五二號 中華民國十八年七月六日

令總稅務司梅樂和

函呈一件呈爲令文內常有「令某關監督轉飭該關稅務司遵照辦理」字樣應否更改祈酌奪辦理  
由

函呈已悉查各關稅務司與各關監督雖屬同等階級但關監督係立於監督地位其職權究有不同至部署令關監督文內有轉飭該關稅務司遵照辦理字樣係指由該關監督轉達部署命令俾各該關稅務司遵照辦理而言並非由關監督直接令飭所請更改一節應毋庸議此令

總稅務司呈 關稅署函第一三號 中華民國十八年十二月七日

敬啟者案查前因稅務司與監督階級平等請將

部署令文內載除已令由某關監督轉飭稅務司遵照字樣酌予更改一事曾經函奉第八五二號

指令內開照錄原文等因奉此自經此次解釋以後本不應再行續請惟現在各關稅務司對於上項令文詞句仍多誤會之處按關監督負監督關務之責各關稅務司負執行關務之責其職權雖不同而彼此地位階級究屬平等且關監督與稅務司同由

財政部任命管理一關之權政其職分自無高下而上項令文詞句驟睹之似有由監督令飭之意為免除各關稅務司無謂之誤會起見不揣冒昧再行仰懇

鈞座可否准將令行職署或監督文內所載除已令由某關監督轉飭某關稅務司遵照字樣改為轉行或轉知遵辦等字樣以免再有懷疑之處是否可行理合備函懇請

酌奪辦理為荷此致

財政部關務署長張

財政部關務署指令第一六九九號 中華民國十八年十二月十八日

令總稅務司梅樂和

呈一件請將部署令文內由某關監督轉飭稅務司字樣改為轉行或轉知等情由

呈悉此事前於本署第八五二號指令內明晰解釋在案現時各監督對於稅務司行文均用咨或公函於體制亦尚相合自無爭執之必要况部署令文內所用轉飭字樣相沿已久亦殊多未便所請應毋庸議此令

## SEMI-OFFICIAL CIRCULAR No. 67.

**Smuggling: southern tour of inspection conducted by Mr. F. H. Bell,  
Commissioner, detached: report *in re*, appended  
for record; I.G.'s views *in re*.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 5th May 1930.

SIR,

In continuation of my S/O Circular No. 61:\*

Intimating that official representations have been made to the Government on the subject of preventive work, and that my recommendations on the subject have been sanctioned in principle:

I now append hereto a copy of an interesting report of a tour of inspection or investigation along the coast from Swatow to Foochow in the revenue steamer *Pingching* conducted by Mr. F. H. Bell,† Commissioner, detached. Some time back Mr. Bell drew my attention to the serious increase of smuggling between the island of Formosa and the mainland, carried on chiefly by means of Japanese motor vessels plying to non-opened ports along the south-east littoral; and at the same time he suggested that in order to enable us to cope effectively with this new menace to the revenue the Maritime Customs ought to be associated with the Native Customs establishments at such non-opened ports. I discussed the matter at some length with His Excellency the Minister of Finance and the Director General of the Kuan-wu Shu; pointed out the seriousness of this form of smuggling; and proposed that Mr. Bell be authorised to investigate conditions along the south-east coast-line, etc. And I advised that the Canton and Foochow provincial governments should be approached in this connexion, and requested to detail representatives to accompany Mr. Bell on his journey, in order to obviate misunderstanding and create an atmosphere of confidence and goodwill at the various places visited. The Minister approved of the scheme, and communicated with the provincial authorities concerned in the sense indicated. The latter, in turn, appointed representatives, and Mr. Bell's narrative describes how he and they fared on their trip and explains the conditions now existing along the south-east coast.

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\* *Antea*, vol. iv, p. 245.

† *Antea*, vol. iv, p. 115 (footnote).

I have since reported that Mr. Bell's tour was successful, and that the *Pingching's* unexpected appearance in the new rôle of a preventive—not merely a lights—vessel at various points along the coast and the seizure and confiscation of motor vessels actively engaged in smuggling have proved of value, as demonstrating that such ventures can no longer be undertaken with impunity. This view is likewise shared by the provincial delegates, and the Minister of Finance has expressed his satisfaction and has requested me to arrange for further action on similar lines. It is clear that systematic patrol work along the coast from Foochow to Pakhoi is essential in the interest of the safety of the revenue, but the limited means at our disposal at present necessarily restrict our activities in this respect. In addition to patrol work afloat, however, it is obviously desirable for us to establish official relations with—or preferably secure actual control of—a few of the Native Customs establishments at the ports referred to above. The Ministry of Finance have already shown a disposition to extend our responsibilities in this direction elsewhere by placing in my hands the administration of various important *extra-50-li* Native Customs in Anhwei, Kiangsu, and Chekiang; and I suggested that an extension of this principle in the southern districts is also desirable (*vide* Circular No. 4069).\*

In conclusion, I append for record a copy of a relative communication from the Shu, together with a copy of my despatch to Mr. Bell, on the general subject of his investigatory work while detached on special duty in connexion with proposed preventive measures, and referring more particularly to the successful raid on Wusu (浯 嶼) Island mentioned in his report.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Postea*, vol. iv, p. 289.

## ENCLOSURE No. 1.

SOUTH-EAST CHINA COAST INVESTIGATION  
COMMISSION.

From the 25th February to the 28th March 1930 the revenue cruiser *Pingching* was employed upon one of the most interesting experiments that has been embarked upon, perhaps, since the inception of the Maritime Customs; and one that may have far-reaching results.

Acting under the instructions of the Central Government at Nanking, delegates were officially appointed by the Kwangtung and Fukien provincial governments to accompany the writer on a tour along the south-east coast between Hongkong and Foochow, with the primary object of inquiring into the feasibility of the Maritime Customs effecting a footing at points upon the coast to be chosen; this footing to be for the purpose of observing and checking the free trading known to be carried on extensively by Japanese motor vessels plying between foreign ports such as those of North and South Formosa—also illegally in the case of foreign vessels—Hongkong and Macao, and places not open to trade on the South China littoral.

The delegates appointed were, for Kwangtung, Mr. Huang Shang (黃 尚), Secretary to the Canton and District Superintendent of Customs, and for Fukien, Mr. Yao Ts'ai-liang (姚 岱 梁), Deputy to the Superintendent of Customs, Foochow. At my request a member of the staff of the Swatow Superintendent was deputed to accompany the Commission as being acquainted with the district around Swatow. The writer was also accompanied upon the tour by the following members of the Customs appointed for this purpose: Mr. Cha I-chêng (查 以 成), 3rd Assistant, B, and Mr. G. H. White, Assistant Boat Officer, A. Commander G. H. Ruxton commanded the revenue cruiser *Pingching*.

The expedition left Swatow on the 28th February, cruised round Namoa Island; stand by for a night at the request of the Japanese s.s. *Paling Maru* that had gone ashore on the island in fog; and commenced by spending three days off the deep indentations north-east of Swatow known as Challum or Shihlin (石 林) Bay, Chaoan (詔 安) and Owick Bays. Thence the ship put in at Tungshan (銅 山) Harbour for two days and then proceeded up the coast to Amoy. From Amoy the coast around Quemoy Island,



Huitau Bay and Chungwu was visited. After a call in connexion with lights service at Ockseu Island a close survey was made of the coast-line from the above points to the mouth of the Foochow River, the party landing at Pinghai (平海) and cruising up Hinghwa Bay and River by steam pinnace to San-chiang-k'ou. After a couple of days round Masu Island and the mouth of Santu Inlet the *Pingching* put into Pagoda Anchorage to allow the party to visit the Foochow officials together with the Fukien delegate, who now left the ship. On the 19th March Amoy was revisited for a day after an interesting exploration of the passages between Quemoy Island and Little Quemoy. After Amoy Tungshan was again visited, also Challum Bay. At Swatow the ship's steam pinnace, with the party on board, explored the back of Haimen Island, passing by the Tatapu Creek from Swatow Harbour to the sea at Haimen where the *Pingching* was again met. The town of Chaoyang some miles up the river was visited from Haimen. Southwards again, the ship put in successively at Tungao (東溝), Shenchuan (琛泉), Kupchi (甲子), Chino (金歐), Chieh-shih (碣石), Chiliang (岐梁), Swabue (汕尾), Samsha Inlet and Harlem Bay, Bias Bay, from which place Hongkong was reached on the 28th March.

During the cruise there were boarded and searched by Mr. G. H. White, under my instructions, 24 motor vessels, 12 steam vessels, and 24 sea-going junks, many of which craft were stopped on the open seas. Of the motor vessels, five—all claiming Japanese nationality—were seized, viz.: three at Tungshan, one being navigated thence to Amoy by Mr. White and an armed party from the *Pingching*; and two left under the guard of the Native Customs at Tungshan with advice to detain them until orders should be received from the Amoy Superintendent. The latter two were subsequently confiscated by the Native Customs at my suggestion; while the one taken to Amoy was also confiscated by the Superintendent there. The Formosan crew were sent in by him to the Japanese Consul under a police guard (the Japanese captain absconded directly the vessel reached port); but the Consul refused to recognise them as Japanese subjects, which made matters easy for the Superintendent. Another Japanese motor vessel was found in Challum Bay and put under guard of the local police on my advice to the Native Customs there. This vessel was subsequently confiscated by the Swatow Superintendent, together with another—name unknown—that put into Ungkong the day after our visit and was promptly seized—a satisfactory outcome of our own example to the Native Customs. The ground for seizure and confiscation of

all these six vessels was the same, namely: being of foreign nationality and engaged in direct foreign to Chinese inland waters traffic. Only one of them—the *Powan Maru*—was in possession of a Japanese certificate of registry, but two or three had the small wooden *pai* bearing their name and a number, showing registration in Taiwan. Each in turn claimed that he had put in for shelter or owing to engine breakdown; but papers found on board proved calls at other Chinese ports; and even at the places at which they were found they had not reported to the local Customs or other Government offices.

At Amoy the raid on the island of Wusu was carried out in conjunction with the Chinese gun-boat *Chuchien* and troops from Amoy. This raid has been fully reported elsewhere. The Japanese motor vessel *Powan Maru* was seized and subsequently confiscated by the Amoy Customs together with a large quantity of sundry cargo taken from several buildings on the island that were seized and searched as a result of information received by the Amoy Commissioner. A large number of small craft lying in the harbour were also searched and one seized. The original object was to capture a shipment of arms; these had, however, been removed the night before the raid. The operation was one involving some preparation and decision, and was carried through in circumstances that will not fail to make a deep impression upon malefactors engaged in this traffic.

Of the 24 junks boarded and searched during the tour the masters of several were made to accompany us in to the local officials to explain their movements. Entries were made in all Pass Books of junks and motor vessels, and on the Manifests of all steamers stopped and searched, stating that they had been so visited by the Maritime Customs and where they were found. Wherever they could be found the Native Customs were called upon, and also the cards of the party sent in to the police and other officials of the neighbourhood. That more places were not visited must be attributed to the very real dangers to the navigation of the cruiser in waters that were in some places entirely unsurveyed. It was hazardous for even the steam pinnacle to venture into some of the places resorted to by junks. The channels were unknown to us; tides were an unknown quantity; and pilots could not always be obtained nor altogether trusted when they were obtainable. I consider that we visited all the places possible in the time at our disposal, though certainly the waters round the Changchow district north of Amoy would have been more thoroughly done if possible. But I am of opinion that any smuggling that is done there must be

done by junks into which cargoes have been transhipped from sea-going craft. And this lay somewhat outside the sphere of our investigations.

We were well received everywhere by the officials, and no doubt not the least of the good work done by the tour lies in the touch gained for the first time with the Native Customs and other officials in the non-open places on the coast. Inquiry into the practice of the Native Customs stations exposed some strange anomalies, and the provincial delegates were themselves taken rather aback at the differences of procedure and treatment we discovered. No less than three tariffs were found in operation within the same provincial coast district. I believe that this will be put right by the delegate concerned. A prevailing evil appears to be the very general absence from his post of the officer in charge of these small stations. But an almost greater is the point that Native Customs offices were found to be often far from the sea or harbour; at Chieh-shih the party had over an hour's walk from the boat to the Customs. At none of the Customs visited were they found to be equipped with any means of controlling shipping, or boarding vessels. The masters presumably reported or did not as they felt disposed; the Native Customs could not have been the wiser. In many ways the whole system is a hundred years behind to-day, and that without the respect and fear of officialdom that existed a hundred years ago. To look to such a system to enforce an import tariff such as that now in use is, of course, absurd. There is practically nothing to check the landing of a cargo of imports from junk, motor or steam vessel along this unending panorama of rugged bays and well-concealed coves. At the same time I must own to having modified the opinion I had before starting upon this tour. While the possibility of smuggling to a heavy extent exists, it is to be doubted if it is availed of to the extent that might be supposed. For from the profits gained by an evasion of a high tariff there must always be deducted much on account of risk from piracy while on the water and banditry ashore. Communications with the larger towns, while improving as motor roads are being constructed, are still bad, and the journeys for goods exceedingly long. Moreover, other forms of taxation exist than that of the Chang Kuan, and other officials are on the look out for traffic to milk though they be lax. To-day the condition of South-east China is such that there is but a mild demand for articles paying higher rates of duty. Indeed it was the opinion of the Fukien delegate that there is scarcely any smuggling in his province owing to the lack of money. I returned from the tour with the impression

that the prevention of smuggling, at the present time at least, can be achieved at a cost rather less than the task appeared to me to demand before we set out.

The suggestions that are put forward below have been arrived at after careful consideration of the views of all the Commissioners concerned as submitted to the Inspector General, and after discussion of the many points of view with the Superintendents of Canton and the Coast Ports and with the delegates on board the *Pingching*. They do not pretend to cover the ground thoroughly or in detail. This must remain a matter for future working out. But they may serve as a first step towards something of a definite policy.

There can be no doubt, I think, that to all questions regarding smuggling along the coast or rivers of China, the reply that must first suggest itself will be: What is the Native Customs doing? and what the police? These are presumably present at the places where this smuggling is said to occur. If smuggling exists in any great degree they are either inadequate or incompetent or they are privy to it. This holds good whether of Hainan and the Luichow Peninsula, Shekki and the Canton Delta, or the east coast. Thus it seems that our first step must be logically in the direction of the improvement or strengthening of the Native Customs, either (*a*) by taking over or (*b*) by improved *liaison* and financial assistance to them where such is necessary. To attempt to stop leakages by means of armed patrols only as a first measure—an expensive form of treatment at the best—will be so much expenditure wasted as the Native Customs now stands; and while the provision of armed cruisers may do something to assist a shore that is of the same mind, it will be only of the smallest degree of assistance to the country if there be not also a Customs line bordering the coast that can be depended on at least to some extent.

It was the opinion of the delegates, and I myself believe, that our attention should be turned to improving relations through the Superintendents with the coast Native Customs establishments rather than by attempting at this juncture to take over same entirely. It is unnecessary to labour this point. Undoubtedly to take over would be the better course were it possible without opposition and ill-feeling. But I believe that it will serve our ends equally well and avoid opposition to follow course (*b*): namely, to improve the *liaison* with these stations through the Superintendents and with their goodwill and to extend to them the financial assistance that it is clear is essential if our programme is to be carried through. The

following suggestions will, I believe, be supported generally in the reports to the Government of the delegates for Kwangtung and Fukien, copies of which will be sent in due course to the Inspectorate.

*Measures suggested by Coast Inspection Tour.*

1.—The Government should make clear its wishes regarding the junk traffic with foreign—*e.g.*, Formosan—ports. Is this traffic illegal or not? For at present it continues to be carried on. A Government notification is called for defining clearly what the law is. If not illegal, what tariff is to be followed? At present there are two or more in force.

2.—*Foreign-flag Motor Vessels.*—Motor vessels should be treated consistently as steamers. No motor vessels should enter a Chinese port without full national papers and Manifest, etc., tonnage dues being leviable. A notification should be issued to all sea Customs that any motor vessel entering a non-open port must immediately report to the Customs there giving reasons for entering. In the absence of a Customs such report to be made to the local police. No trading and landing or shipping of cargo permitted. The vessel to stay no longer than consistent with need for shelter or repairs to machinery. The date of arrival and departure and reason for entry to be reported to the Superintendent immediately.

3.—The Maritime Customs should station a representative at the port of Tungshan (銅山) between Amoy and Swatow, for the purpose of observing shipping conditions and reporting to both Amoy and Swatow.

4.—All motor vessels found sailing or at anchor within 12 miles of the Chinese coast or islands to be liable to stopping and search by revenue vessels. In the event of same being found to have no national papers and Manifest showing clearly port of departure and whither bound, cargo, etc., vessel to be liable to be taken into nearest treaty port for investigation.

5.—Trading junks to be compelled to take out national papers, etc., on the same lines.

*General Measures for Consideration.*

6.—The coast of China from the Yalu River to the Tonkin frontier to be divided into districts or areas under the definite control of Superintendents of Customs. The

respective areas to be visited by Inspectors charged with reporting to the Superintendent on the *preventive* measures in force in that area, and on the opportunities left open for clandestine traffic. Superintendent to consult with Commissioner of Maritime Customs most concerned in that district for adjustment of conditions. Additionally, the districts to be visited, as opportunity may permit and with as little warning as possible, by Maritime Customs revenue cruiser having on board representatives of both Superintendent and of Maritime Customs who will report to their departments.

7.—The amount of financial assistance, if any, necessary to maintain each district in a reasonable state of efficient prevention of regular or wholesale smuggling to be estimated and decided upon.

8.—Regular shipping statistics and information to be regularly exchanged between *all* Native Customs establishments and the Maritime Customs port open to trade in that district. Lists of shipping, inwards and outwards, to be regularly kept.

9.—Pending the outstanding settlement of the Hong-kong and Customs Agreement, wireless stations to be established at all Maritime Customs stations round Hong-kong and Macao and at certain islands and light-stations to be decided upon. Thus a screen of wireless stations established to cover the approaches to the Canton Delta and the non-open places on the coast.

The above suggestions deal only with the general aspect of preventive measures. It is impossible within the limited opportunities of survey afforded to the writer over so great a ground to lay down opinions regarding the needs for each or any one port. For instance, the need at Amoy or Swatow for a harbour launch capable of keeping a general control appears to be a local matter and not to come under the larger heading of prevention as a whole. One thing, however, should be said in this connexion. It is doubtful if such harbour launches should be armed. The presence of arms is apt to invite attack for their possession and it is well to remember that men should be disciplined and instructed on their use and just when and where they should be used if the Service is not to be involved in some unpleasant incident.

F. HAYLEY BELL,

*Commissioner, detached.*

ENCLOSURE No. 2.

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*Copy of despatch from the Inspector General to Mr. F. H. Bell,  
dated Shanghai, 15th April 1930.*

SIR,

I have to state that I have informed His Excellency the Minister of Finance, and the Director General of the Kuan-wu Shu, of the successful nature of your recent investigations in connexion with smuggling along the coast from Swatow to Foochow, and they have both expressed their satisfaction and have, furthermore, desired me to arrange for further patrol work on the same lines by revenue steamers.

It affords me pleasure to forward to you, appended hereto, a copy of a despatch from the Shu dealing specifically with the question, and eulogising the services rendered by yourself and Mr. Ding Maiu Ang, 2nd Assistant, B, in connexion with the recent raid on Wusu Island. I endorse the views thus expressed, and desire to thank you for the satisfactory conclusion of a difficult enterprise, which seems to have been conducted with unusual tact and resolution.

I avail myself of this opportunity, moreover, to add an expression of appreciation of the general services which you have rendered while detached on special duty in connexion with preventive work. The various reports and recommendations which you submitted from time to time have been studied with interest, and the knowledge gained will be of value in connexion with future operations.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE No. 3.

財政部關務署訓令第二三七二號 中華民國十九年四月七日

令總稅務司梅樂和

爲令行事據廈門關監督呈稱案據密報廈門口外九英里之浯嶼海島時有匪徒出沒私運漏稅貨物及軍火違禁品等情事當即會同職關稅務司侯禮威特派華幫辦陳懋菴不動聲色馳往該嶼嚴密偵查據報實有私設屯棧貯存違禁貨品等情惟該嶼素稱蠻悍動輒拒捕非有地方軍警協助不足以期破獲等語遂由監督商准廈門海軍警備林司令飭派駐廈楚謙軍艦隨帶陸戰隊五十名會同巡察海岸稅務司貝泐及職關華幫辦陳懋菴乘坐平徵巡輪於三月八日清晨馳往查緝當在浯嶼島破獲私設屯棧數處起獲違禁輸入之銅元並漏稅電油車油汽油生油苧蔴布疋等私貨多件估價洋萬餘元之譜交由職關稅務司按照關章分別處分列報又在該嶼緝獲未領牌照走運私貨之日輪光榮九一艘照章沒收充公第以此次緝私所藉海軍之力實多旋准林司令稱現正亟需此輪以供巡緝乃將光榮九一艘移交廈門



海軍警備司令部備用估價五千元准送到三成犒賞洋一千五百元轉交職關稅司照例給賞各在案伏查浯嶼孤懸海外地僻鄉蠻匪徒藉以積運私貨已非一日茲經職關破獲當可斂跡一時不敢再存嘗試監督仍當會同稅司隨時督飭關員認真查緝以杜私漏惟巡察海岸稅司貝泐奉令出巡迭獲巨案此次在東山附近既獲私入內地之日輪三艘又會同職關人員及海軍在廈門附近之浯嶼破獲私貨船隻等項洵爲異常出力職關華幫辦陳懋菴不避艱險入嶼偵查所報情形均能確實嗣經同往查緝導引得宜破獲巨案足塞匪膽成績優異殊堪嘉尙以上二員監督灼知較切未便壅於上聞應如何嘉獎以資鼓勵之處應請飭下總稅務司先行存記照章辦理所有緝獲浯嶼私屯漏稅物貨情形理合專案具文呈報鈞署察核指令祇遵等情據此除以呈悉該監督等查獲私設屯棧及違禁漏稅物品暨無照日輪等件具見辦事認真殊堪嘉許仰仍督飭認真查緝以杜私運至稅務司貝泐及該關華幫辦陳懋菴此次緝獲私貨異常出力候令行總稅務司酌核辦理再該監督以後處分沒收船隻應隨時呈請核示辦理並卽知照此令等語指令外合亟令仰該總稅務司卽便查照酌核辦理此令

## CIRCULAR No. 4069 (SECOND SERIES).

**Native Customs establishments: administration of Wuhu Native Customs restored to Maritime Customs; list of *extra-50-li* Native Customs placed under I.G.'s direct control appended for record.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 2nd May 1930.

SIR,

In the spring of 1927 the administration of the Wuhu Native Customs was withdrawn from the hands of the Commissioner, and the local Chinese authorities assumed direct and independent control. Early in 1929 I made certain representations to the Government on the subject and suggested the propriety of restoring the management of this important office to the Maritime Customs, in the general interest of China's credit at home and abroad, and we resumed charge of the establishment on the 16th June 1929 (*vide* Enclosure).

It is fitting for me to place on record here recent developments in respect of certain *extra-50-li* Native Custom Houses which have enhanced the prestige and strengthened the position of the Maritime Customs Service. Last August His Excellency the Minister of Finance instructed me to second officers from the Maritime Customs to take charge, on his behalf, of two important Native Customs offices—viz., Fengyang Kuan (鳳陽關) and Yangyu Kuan (揚由關), the former in Pengpu, Anhwei (蚌埠, 安徽), and the latter in Yangchow, Kiangsu (揚州, 江蘇). I accordingly detached Mr. Ho Chee Fai,\* Acting Commissioner (Deputy Commissioner),

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\* Mr. Ho Chee Fai, a native of Canton, was born on the 18th July 1880 and was educated at St. Joseph's College, Macao. After a short term in a lawyer's office in Hongkong Mr. Ho joined the Customs Service at Canton on the 5th June 1901 as Candidate Clerk, C, on probation. He served at Canton (twice), Mengtsz, Szemao, and Chinkiang before being transferred in 1911 to the Statistical Department at Shanghai, where in October 1912 he was promoted to Assistantship rank. He remained at the Statistical Department till the end of May 1915, and after five months at Hangchow was sent to Lungkow—branch office of Chefoo—where he remained for almost two years. From September 1917 to September 1924 he was again at Hangchow, and for some months was in charge of the Kashing Station. After eight months at Canton he was again transferred to the Statistical Department at Shanghai, and here in April 1928 he was promoted Deputy Commissioner and made Assistant Statistical Secretary. From April to August 1929 he was in charge of Hangchow as Acting Commissioner, and in the latter month was detached by the Ministry of Finance to take control of the Fengyang Native Customs as Superintendent, a post he held till the end of February 1930. He was re-appointed to the charge of Hangchow, where he remained till his retirement on the 15th April 1932. On the 1st April 1930 he had been promoted full Commissioner. Mr. Ho was decorated in June 1937 by the Government with the 6th Class of the Order of the Brilliant Jade.

and Mr. Oong Zur Tsung,\* Acting Commissioner (Deputy Commissioner), for this responsible work, who were appointed by the Ministry of Finance Superintendents of Customs (監督) in charge of Fengyang Kuan and Yangyu Kuan respectively. In addition to these gentlemen, certain subordinate Maritime Customs employees were also detached to assist them. The experiment proved so successful that the Ministry of Finance definitely transferred the direct control of these two establishments to the Maritime Customs on the 15th February 1930 (*vide* copy of communication from the Minister of Finance, appended hereto, expressing his appreciation of our usefulness and efficiency in this connexion—Circular No. 3846). And the Minister has further extended the responsibilities of the Inspectorate by placing the *extra-50-li* Native Customs in the Wuhu and Wenchow districts under my direct control (*vide* Enclosure). The following Native Customs stations and sub-stations have thus been taken over by the Inspector General:—

| STATIONS.            | SUB-STATIONS.         | BARRIERS. |
|----------------------|-----------------------|-----------|
| FENGYANG KUAN.       |                       |           |
| 1. Chêng-yang ... 正陽 | 1. Mên-t'ai-tsü 門台子口  |           |
| 2. Pengpu ..... 蚌埠   | 2. Ku-chên ..... 固鎮   |           |
| 3. Lin-huai ..... 臨淮 | 3. Fu-li-chi .. 符離集口  |           |
| 4. Huai-yüan .... 懷遠 | 4. Chiang-pa.... 蔣壩口  |           |
| 5. Su-hsien ..... 宿縣 | 5. Shou-ho ..... 壽河口  |           |
| 6. Hsü-i ..... 盱眙    | 6. Hsin-ch'êng .. 新城口 |           |
| 7. Ming-kuang ... 明光 | 7. Kuan-tien.... 管店口  |           |
| 8. Po-hsien ..... 亳縣 | 8. Chang-pa-ling 張八嶺口 |           |
|                      | 9. San-chieh .... 三界口 |           |
|                      | 10. Hung-hsiang.. 虹鄉口 |           |
|                      | 11. Sui-ho ..... 濉河口  |           |

\* Mr. Oong Zur Tsung was born on the 12th April 1882 at Soochow, and joined the Customs Service on the 15th December 1899 at Shanghai as Candidate Clerk, C. He remained at Shanghai till the end of May 1915, being promoted to Assistantship rank in July 1912. He served at Chefoo for eight and a half years, and was then transferred to Tientsin, where he remained for two and a half years. From June 1926 to the end of April 1929 he was in charge of the Returns Office in the Shanghai Customs, and while there on the 1st April 1928 was promoted Deputy Commissioner. While in charge of Soochow as Acting Commissioner he was detached in August 1929 by the Ministry of Finance to take control of the Yangyu Native Customs as Superintendent, at which post he remained for the rest of his Service career. He was promoted Commissioner on the 1st April 1930 and retired on the 31st August that year. Mr. Oong holds the 8th Class of the Order of the Chia Ho.

| STATIONS.                         | SUB-STATIONS. | BARRIERS.                  |
|-----------------------------------|---------------|----------------------------|
| YANGYU KUAN.                      |               |                            |
| 1. Yang-kuan .... 揚 關             | .....         | 1. South Gate.             |
| 2. Yu-kuan ..... 由 關              | .....         | 2. West Gate.              |
| 3. Timber Tax 木稅分關<br>Sub-office. | .....         | I-ho ..... 儀 河             |
| 4. T'ai-hsien .... 泰 縣            | .....         | 1. Tu-t'ien-miao . 都天廟     |
| 5. Chiang-yen ... 姜 堰             | .....         | 2. Ch'ien-chia-wan 錢家灣     |
| 6. Li-fa-ch'iao ... 立發橋           | .....         | 1. North Gate.             |
| 7. Ch'ai-wan .... 柴 灣             | .....         | 2. Shih-tzŭ-ch'iao 獅子橋     |
| 8. Hsin-ma-t'ou .. 新馬頭            | .....         | 3. T'ang-wan .... 塘 灣      |
| 9. Shih-yang-kou 石洋溝              | .....         | Huang-ts'un... 黃 村         |
| 10. Mang-tao-ho .. 芒稻河            | .....         | 1. Hu-chia-chi ... 胡家集     |
| 11. Pai-mi ..... 白 米              | .....         | 2. Chiao-chiang .. 焦 港     |
| 12. Chung-cha .... 中 關            | .....         | 3. Ting-chia-so .. 丁家所     |
| 13. K'ou-an ..... 口 岸             | .....         | 1. Pao-ho ..... 堡 河        |
| 14. Pai-t'a-ho .... 白塔河           | .....         | 2. Hu-chia-chi ... 胡家集     |
| 15. Pien-i-mên .... 便益門           | .....         | 3. Chiao-chiang .. 焦 港     |
| 16. Lu-ch'iao ..... 陸 橋           | .....         | 4. Ting-chia-so .. 丁家所     |
| 17. Shao-po ..... 邵 伯             | .....         | Western bank of river.     |
| 18. Kua-chou ..... 瓜 州            | .....         | Chuan-ch'iao .. 磚 橋        |
| 19. Li-pao ..... 李 堡              | .....         | 1. Yü-chia-ch'iao . 郁家橋    |
| 20. Hai-an ..... 海 安              | .....         | 2. T'ien-chia-chiang . 田家港 |
| 21. T'ien-an-chuang 天安莊           | .....         | 3. Ch'ü-t'ang .... 曲 塘     |
|                                   |               | 1. Pa-chiang ..... 八 港     |
|                                   |               | 2. San-chiang-ying 三江營     |
|                                   |               | 3. Shuang-chiang 雙 港       |
|                                   |               | 4. Yin-wei ..... 寅 圩       |
|                                   |               | 1. Lung-wo-k'ou . 龍窩口      |
|                                   |               | 2. Yang-wan .... 揚 灣       |
|                                   |               | 3. Hsin-ch'iao ... 新 橋     |
|                                   |               | 1. Chieh-kou .... 界 溝      |
|                                   |               | 2. Kuang-fu-ch'iao 廣福橋     |
|                                   |               | Nan-cha ..... 南 關          |
|                                   |               | 1. Chao-kuan-pa . 昭關壩      |
|                                   |               | 2. Lu-chin ..... 露 筋       |
|                                   |               | 1. Chün-ch'iao ... 軍 橋     |
|                                   |               | 2. T'u-ch'iao .... 土 橋     |
|                                   |               | 3. Pa-li-p'u ..... 八里舖     |
|                                   |               | 4. Chia-hsing-ch'iao 嘉興橋   |
|                                   |               | T'an-ho-k'ou .. 灘河口        |
|                                   |               | Pên-chia-chi .. 賁家集        |

| STATIONS. | SUB-STATIONS. | BARRIERS. |
|-----------|---------------|-----------|
|-----------|---------------|-----------|

## WUHU EXTRA-50-LI NATIVE CUSTOMS.

|                             |  |  |
|-----------------------------|--|--|
| 1. Ni-ch'a ..... 泥 汶        | 1. Hsin-ho-k'ou .. 新河口<br>2. Old Ni-ch'a ... 老泥汶<br>3. Tse-chiang .... 冊 港<br>4. Yao-kou ..... 姚 溝 | Liu-chia-tu ... 劉家渡                            |
| 2. Chin-chu ..... 金 柱       |  |  |
| 3. Hsin-ho-chuang 新河莊 ..... |  | 1. Nan-hu-k'ou .. 南湖口<br>2. Yeh-mao-kou .. 野貓溝 |
| 4. Ch'ing-i-kuan.. 清弋關      |  |  |

## WENCHOW EXTRA-50-LI NATIVE CUSTOMS.

|                        |
|------------------------|
| 1. P'ing-yang .... 平 陽 |
| 2. Jui-an ..... 瑞 安    |
| 3. P'u-ch'i ..... 蒲 岐  |
| 4. Ta-yü ..... 大 漁     |
| 5. K'an-mên .... 坎 門   |

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

總稅務司呈 關務署文第二五五號 中華民國十八年五月六日

呈爲請將蕪湖五內常關仍收歸海關管轄具文呈請

核准施行事竊查蕪湖五內常關由民國二年歸蕪湖海關管轄以來稅收日見起色不意於民國十六年春際革命軍興蕪湖地方秩序紊亂該常關卽由該關監督接管現革命成功大局底定蕪湖地方治安亦已恢復原狀自應仍將該常關收歸海關管轄以符成案而裕稅收爲此具文呈請

鈞鑒伏乞

核准示遵謹呈

財政部關務署長張

財政部關務署指令第五八一號 中華民國十八年五月八日

令總稅務司梅樂和

呈一件請將蕪湖五內常關仍收歸海關管轄具文呈請核准施行由

據呈已悉該蕪湖五內常關業由部令飭該關監督自本月十五日起交由該關稅務司接管辦理所有該五內常關稅鈔各款應卽專款報解部庫核收合行令仰遵照並將接管情形具報爲要此令

財政部關務署訓令第一〇五八號 中華民國十八年八月十五日

令總稅務司梅樂和

爲令遵事現爲整頓稅收統一事權節省經費起見特將蕪湖關所轄五外各常關一併歸由該關稅務司管理除由部令行該關監督限於九月一日以前將該五外常關一切徵稅事項移交該關稅務司接管外合行令仰該總稅務司卽便轉飭該關稅務司遵照並將辦理情形具報此令

財政部關務署令第一〇六九號 中華民國十八年八月二十日

令總稅務司梅樂和

爲令行事奉

部長諭何智輝翁綬琛孟廣瀾李兆源葉毓勳盧斌陳文健周泰奎著調部任用等因除各該員薪俸津貼應按照海關章程由部支給外各該員等在原在機關所應享受之他項待遇應仍繼續有效合亟令仰該總稅務司即便分別轉飭遵照此令

財政部電第一四七號 中華民國十九年二月三日

梅總稅務司覽關密查鳳陽揚由兩關自上年調用海關人員試辦以來稅收增溢成效已著茲爲實行整理起見著將鳳陽揚由兩關交由該總稅務司管轄仰即遵照迅速接收妥爲辦理并將辦理情形具報備核部長宋江  
(三日)印

財政部令關字第一五五〇五號 中華民國十九年二月五日

令總稅務司梅樂和

爲令遵事本部茲爲整理關政起見將甌海關五十里外常關移交該總稅務司管轄除分令外合亟令仰該總稅務司遵照限於本月底接收具報此令

## CIRCULAR No. 4083 (SECOND SERIES).

**Smuggling: investigations *in re*: Mr. F. H. Bell replaced by  
Mr. A. H. Forbes; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 29th May 1930.

SIR,

In continuation of my Circular No. 3990:\*

Intimating, in connexion with organised smuggling, that Mr. F. H. Bell, Commissioner, had been selected to investigate and report on existing conditions in this respect along the various frontiers of China—especially the Kowloon and Lappa frontiers:

I have to state that, Mr. Bell having been appointed to Tientsin, I have selected Mr. A. H. Forbes,† Commissioner, to continue for the time being the work of investigation thus inaugurated by Mr. Bell. I trust, therefore, that you will extend facilities to Mr. Forbes in the event of his visiting your district and that you will continue to study carefully local conditions, including particulars of smuggling organisations, etc., and devise such local preventive measures as may be necessary.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. iv, p. 244.

† Alexander Henderson Forbes was born on the 12th May 1885 at Tientsin, and after education at George Watson's College, Edinburgh, and King's College, London, joined the Customs Service on the 27th August 1906 as 4th Assistant, C. During his first term he served at Chinkiang, at the Inspectorate in Peking (twice), and Tientsin (twice). He was subsequently stationed at Kongmoon for a few months, then for two years at Lappa, to be followed by four years (October 1916 to October 1920) at Lungchingsun, then a branch office of the Hunchun Customs. He was promoted Deputy Commissioner in April 1925 while at the Inspectorate at Peking, where he served from October 1921 to October 1926. He returned to Lungchingsun as Acting Commissioner in October 1927, where he remained till the end of April 1929, in which month he was promoted Commissioner. After six months at Foochow and six months at Nanking he was transferred to the Inspectorate at Shanghai on special duty in connexion with the formation of the Preventive Service, and here he remained—with a short interval of three months when he returned to Nanking—till October 1932, being appointed Preventive Secretary on the 1st February 1931 (*vide* I.G. Cir. No. 4172, *postea*, vol. iv, p. 365). Mr. Forbes was subsequently Commissioner in charge of Amoy for a year, and then of Kowloon till April 1939, with an interval of one year—March 1935 to April 1936—when he returned to his former post at the Inspectorate as Preventive Secretary.



## CIRCULAR No. 4093 (SECOND SERIES).

**Bonding: development of, in China; revised General Bonding Regulations to be enforced.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 26th June 1930.

SIR,

1.—The privilege of storing goods in a bonded warehouse and of thereby deferring payment of duty till the goods are required for consumption was not conceded by any of the treaties concluded in the forties of last century. Neither was it conceded by any of the treaties of Tientsin. In fact, all these early agreements distinctly stipulate that import duties shall be paid on the landing and export duties on the shipment of the goods.\* This, however, should not be taken as indicating that there was no demand in those days for the bonding privilege. As early as February 1844 an attempt was made in Shanghai to establish a bonded warehouse system, but the Chinese authorities declined to recognise it.† Nine years later the Taiping Rebellion had so upset trade that merchants in Shanghai were unable to dispose of their stocks of imports, which kept on steadily growing until the merchants were actually no longer able to afford further payments in cash of import duty on goods arriving. What aggravated the situation was the fact that the fall in values in the case of certain goods paying specific rates had raised the duties leviable from a 5 per cent. *ad valorem* standard to one varying from 12 to 28 per cent. In these circumstances the British merchants petitioned Sir George Bonham, then British Plenipotentiary and Chief Superintendent of Trade, that bonding facilities should be provided. The Plenipotentiary's reply was not encouraging. He pointed out that it would be overstepping the bounds of his power to sanction any such measure without the full consent of the Chinese Government, which had the undoubted right to collect its Customs dues and duties without deferment. He further suggested that the

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\* American Treaty of Wang-hea (1844), Art. XIII. French Treaty of Whampoa (1844), Art. XVIII. British Treaty of Tientsin (1858), Art. XXV. American Treaty of Tientsin (1858), Art. XXII. French Treaty of Tientsin (1858), Art. XXI.

† Captain G. Balfour, H.B.M. Consul, to Sir Henry Pottinger, despatch No. 14, 27th February 1844; despatch No. 37, 18th May 1844, F.O. 228/31; British Parliamentary Papers (hereafter cited as B.P.P.), "Report from the Select Committee on Commercial Relations with China, 1847," p. 319; "North-China Herald" (hereafter cited as N.C.H.), No. 165, 24th September 1853.

remedy lay in the hands of the merchants themselves by refraining from further importations of goods so long as adverse conditions prevailed.\*† Rutherford Alcock, who was British Consul in Shanghai at that time, did not forget this incident when he came in 1869 to negotiate the Convention which goes by his name, for in that instrument he included clauses authorising the establishment of bonded warehouses at such treaty ports as might be found expedient.‡

2.—The Alcock Convention, however, was never ratified, so that the privilege of establishing bonded warehouses for general cargo had to be postponed until 1880, when by Article III of the Supplementary Convention between China and Germany (negotiated at Peking in March 1880 and ratified on 16th September 1881) foreign traders were first granted the privilege of making use of bonded warehouses in any of the open ports of China where they may be required in the interests of foreign commerce and where local circumstances admit of such an arrangement being made. As this, however, was a new departure in China's Customs arrangements, it was agreed by Section 2 of the Special Stipulations appended to this Supplementary Convention that "an experiment to ascertain whether bonded warehouses can be established in the Chinese open ports shall first be made at Shanghai," and that "for this purpose the Customs Director [Superintendent] at the said place, with the Customs Inspector General, shall forthwith draw up regulations suitable to the local conditions, and then the said Customs Director [Superintendent] and his colleagues shall proceed to the establishment of such bonded warehouse." In consequence of this treaty article and the appended Special Stipulation, Sir Robert Hart, then Inspector General, came in 1882 to Shanghai to initiate measures for the introduction of bonding, but, although rules were then drawn up, it was not till the autumn of 1887 that it was finally decided to proceed with the scheme. Accordingly, on 20th December 1887 a Customs notification was issued, informing the public that from 1st January 1888 consignees of foreign imports would have at Shanghai the option either of paying duty and taking immediate delivery of the goods or of deferring payment by depositing their goods in a bonded warehouse subject to the regulations for bonding authorised by the Chinese Government. These general regulations

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\* N.C.H., vol. iv, Nos. 159, 162, and 165 (1853).

† For an account of the introduction of the guarantee system, by which steamers could be cleared before payment of duties, thereby affording relief to the rigidity of the treaty stipulations, *vide* Wright: "China's Struggle for Tariff Autonomy," pp. 227, 228; also *antea*, vol. i, pp. 101-104, and *postea*, vol. vi, pp. 245-247, 572.

‡ Alcock Convention, Art. XII, 2, and Rule 5.

were communicated to the Service in Circular No. 395\* and, along with certain local rules, were notified to the merchants of Shanghai by the Commissioner.

3.—The bonding system thus introduced did not then prove a success. The Inspector General provided all the necessary Customs machinery and facilities, but as Customs duties at that time were light and as goods passed quickly from the original importer to the purchaser, there was in the great majority of cases no advantage to be gained by bonding. The main reason, however, for the comparative failure of the system was the fact that the privilege of maintaining bonded warehouses was granted as a monopoly to the China Merchants Company, certain godowns belonging to which were licensed and used as Government bonded warehouses (Circular No. 437). Attempts made by the Inspector General to have this privilege extended to other suitably built and placed warehouses were unsuccessful, the only extension sanctioned by the Government at the time being that of allowing the China Merchants Company's Pootung premises to be licensed for the bonding of kerosene oil (Circular No. 450). As the importation of kerosene oil in bulk was at that time (1889) unknown, it is obvious that it was intended that the Pootung godown should be used for the bonding of case oil.

4.—The next step in the history of bonding in China was taken in 1895, when, as the result of much discussion and negotiation which had taken place during the previous year between various foreign Legations and the Chinese Government, the latter finally decided to permit the establishment of tanks for the storage of kerosene oil at ports where the local territorial authorities had no objection to such installations. Regulations for the licensing and bonding of such tanks were drawn up by the Government and were issued to the Service by the Inspector General in Circular No. 673.† As these bonding regulations were solely for bulk oil, no mention naturally is made in them of case oil, but the practice soon grew up at various ports of allowing bonded bulk oil, on payment of duty, to be filled into containers, which were subsequently held for longer or shorter periods in unbonded godowns attached to the tank installations.

5.—The revision of the Tariff called for by the Peace Protocol of 1901, and the subsequent negotiation of the Commercial Treaties with Great Britain (1902) and with the United States of America (1903), afforded an opportunity of still further extending bonding

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\* *Antea*, vol. i, pp. 531–546.

† *Antea*, vol. ii, pp. 27–38; *vide* also I.G. Cir. No. 656, *antea*, vol. ii, pp. 20–24.

facilities. Representations were made that such facilities should be made available at all open ports and that the privilege of establishing bonded warehouses should be accorded to merchants of the Treaty Powers. The outcome of these representations will be found embodied in Article VI of the British (Mackay) Treaty and in the article of the same number of the Treaty of 1903 between the United States and China. These articles permit foreign merchants to establish at any of the open ports bonded warehouses for storage, repacking, or preparation for shipment of lawful goods, such warehouses to be approved by the Chinese authorities as affording sufficient protection to the revenue, and to be subject to regulations, including a scale of fees, according to commodities, distance from the Custom House, and hours of working, as may from time to time be decided on by the Chinese authorities. Notwithstanding the extension of this privilege, no marked development in bonding, apart from that of kerosene oil in bulk, took place between the signing of these treaties and the promulgation of the National Import Tariff of 1929.

6.—The introduction of that Tariff, however, with its greatly increased duty rates, naturally brought in its train a widespread demand for bonding facilities, and, in view of this and of the large issues at stake, I found it necessary to re-draft the existing General Bonding Regulations so as to bring them more into conformity with modern requirements. In doing this I availed myself freely of the knowledge and experience of the Shanghai Customs, and the result shown in the revised regulations, as now approved by the Kuan-wu Shu, reflects the benefit derived from such assistance. A copy of the correspondence exchanged with the Kuan-wu Shu on the subject is appended, but only the draft of the regulations as finally approved appears here.\* These regulations† now take the place of those issued in Circular No. 395.

7.—Regulations dealing with the bonding of kerosene oil in bulk and in containers, as well as regulations for the reconditioning of goods in bond, will be issued in due course.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* Not printed.

† *Vide* "Code of Customs Regulations and Procedure" (3rd Edition), 1937, pp. 63-69 for General Regulations; pp. 69-71 for bonded petroleum oil tanks and warehouses; pp. 72-74 for bonded crude oil refining factories; and pp. 75-77 for bonded reconditioning warehouses.

## SEMI-OFFICIAL CIRCULAR No. 69.

**Tientsin Customs: seizure of: Customs procedure  
re cargo, etc., outlined.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 28th July 1930.

SIR,

I append a copy of a Ts'ai-chêng Pu telegram of the 21st June, confirming verbal instructions regarding the official closing of the Tientsin Custom House by the Government.\*

On the 19th June, the following Notification was published in Shanghai, and the principal coast ports were advised accordingly by telegram:—

“The public are hereby notified that the National Government have issued the following orders:—

“(a) The Tientsin Custom House is to be closed  
“temporarily;

“(b) The Customs Staff there are to be with-  
“drawn; and

“(c) Cargo destined for Tientsin will be released  
“upon liquidation of all fiscal obligations.”

Detailed instructions regarding the treatment of cargo, etc., were telegraphically circulated on the 21st June, as follows:—

“My telegram of 19th June: hand to shippers but do  
“not address or forward any official documents to Tientsin.  
“Collect full and half duty and surtax on native goods for  
“Tientsin, irrespective of whether such goods are being  
“shipped direct or through another treaty port, but in  
“latter case forward documents to port of transshipment.  
“Similarly ignore any documents issued by Tientsin on  
“and after 18th June and charge full and half duty and  
“surtax on native goods arriving from that port. Charge  
“duty on foreign goods for Tientsin which ordinarily would  
“go forward marked to pay. Charge full import duty on  
“foreign goods arriving from Tientsin shipped there on  
“or after 18th June. Charge full import duty on all

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\* For full account of this incident, *vide* S/O Cir. No. 72, *postea*, vol. iv, pp. 387.

“foreign non-duty-paid transhipments for Tientsin; and  
“collect requisite duty on similar native cargo movements.  
“Issue no drawbacks on goods for Tientsin. Tonnage  
“Dues Certificates issued at Tientsin on or after 18th June  
“are not to be recognised. Pending further instructions  
“you are to re-assess tonnage dues on such invalid  
“Certificates and collect dues on deposit. Notify public  
“accordingly.”

The instructions regarding tonnage dues, however, were subsequently modified to the following extent: vessels producing Tonnage Dues Certificates issued at Tientsin on or after the 18th June, may be furnished with a new Certificate free of charge bearing the same date as the Tientsin Certificate, which is to be cancelled.

Requests for instructions have been received from various ports concerning the duty treatment of factory products and through cargo. As regards the former, all duties and surtaxes which normally would have been collected by the Tientsin Customs are to be levied on Tientsin exports at the port of importation; and duty is not to be levied on through cargo.

Finally, I also append, for your information and for record, copy of correspondence exchanged with the Kuan-wu Shu in this connexion, from which you will observe that prior to the seizure of the Tientsin Custom House by the Northern Authorities, I registered certain suggestions respecting the local disposal in Tientsin of the additional duty collected there, which at the time did not prove acceptable. And I may add that a subsequent Circular will describe in more detail the history of the seizure of the Tientsin Customs by the Northern Authorities.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部電第三二五號 中華民國十九年六月二十一日

梅總稅務司覽關於津海關被敵方強行佔據一案現經中央政治會議議決（一）津關一切關員即撤退（二）運往天津貨物在江海等關納稅等因查津海關一切關員既經撤退該關應即暫行停閉所有運津貨物應在江海安東膠海東海粵海潮海閩海廈門山海大連等關納稅後放行除分電外合亟電令遵照  
部長宋馬印

總稅務司呈 關務署文第一一四二號 中華民國十九年六月二十日

呈爲呈請事竊查月餘以來天津海關因在南北戰爭情勢之下所發生之問題至爲困難伏以此項問題並不僅爲單純之海關問題實已成爲政治問題當然應由中央政府決定方針妥爲處理在職既不過爲中央政府僱員之一自惟有執行政府命令以盡職責惟在此項問題甫經發生之始職會非正式建議以爲除非將津關所徵新增關稅暫行存留天津停止匯滬靜候軍事解決以後再行處置實不易解決此項難題維時在職竊以爲北方當局定可容納此種建議而對於天津海關亦決不至歸北方當局單獨管轄否則設不幸致津關管轄問題有所變動恐向來完整之海關或將因而分裂即開空前未有之惡例嗣以前項提議並非中央之政策遂作爲罷論自只有遵奉中央命令辦理而已至津海關稅務司員泐處此困難情勢之下始終尙能保持海關紀律對於其所負之職責照常忠實進行並竭力設法避免外界干涉冀得保全中外商務及經濟上航業上種種利益勿使稍受影響其功績似未可墜於上聞伏乞轉呈

部長審核再者此次津關事變既將向來完整之海關予以分裂其最大之危險卽爲將來留一惡例設非立將該關設法恢復原狀仍歸中央政府管理誠恐各省地方當局紛紛效尤亦將中央政府委派之稅務司援例驅逐另行派員接替則海關向來完整之制度及多年良好之功效勢必掃地以盡且如令素無經驗之外界人員充任海關高級官長以指揮任職多年閱歷甚深之關員尤不啻將關員服從紀律之精神完全損毀甚至經濟界銀行界以及持有各項公債庫券者均非宣告破產不止實於國計民生影響綦鉅職忝筦權政對於中國海關之完整常欲竭力維持並以爲必將海關立場超出於任何黨爭政爭以外方於黨國前途大有裨益竊思此項原則無論爲政府威信計爲國民利益計均有嚴行保持之必要是否有當理合備文呈請

鑒核訓示施行謹呈

財政部關務署長張

財政部關務署指令第三〇〇八號 中華民國十九年七月二日

#### 令總稅務司梅樂和

呈一件爲建議處置津海關問題及保持海關完整方法請核示由

呈悉關於海關之完整應竭力維持實爲必要之圖至海關行政向係稟承政府命令辦理徵稅事項本與政治問題無關所稱將海關立場超出政爭以外之原則持論頗有見地應存備參考可也此令



## CIRCULAR No. 4128 (SECOND SERIES).

Chinese tea: bond procedure for, cancelled; special procedure regarding duty treatment of tea shipped coastwise for subsequent export abroad to be introduced; present duty treatment of tea; summarised instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,

SHANGHAI, *26th September* 1930.  
*23rd December*

SIR,

1.—With reference to previous Circulars:

Concerning duty treatment of tea on exportation abroad:  
especially to Circular No. 2978, dated 9th October 1919:

Instructing, *inter alia*, that for a period of two years no duty is to be charged on Chinese tea declared for exportation abroad, no matter by what vessel shipped, but that when it is landed at a second port the consignee is to deposit a bond for full and half duty, and that on proof of reshipment within a year the bond is to be cancelled:

to Circular No. 3196, dated 15th August 1921:

Which extended duty-free exportation abroad of tea for a further period of two years and, *inter alia*, ruled that black, brick, and tablet tea shipped coastwise was to be exempted from export and coast trade duties also for a period of two years:

to Circular No. 3671, dated 23rd March 1926:

Which shows that instructions subsequent to the above Circular for the extension of the duty-free treatment of tea on exportation abroad were taken as applying also to the duty treatment of black, brick, and tablet tea when shipped coastwise, a practice which eventually received the Government's approval:

and, finally, to Circular No. 3823, dated 26th November 1928:

Extending, *sine die*, the period of exemption from duty of all tea exported abroad and of black, brick, and tablet tea on shipment coastwise:

I circulate, for your information and guidance, copy of Kuan-wu Shu despatch No. 3495, from which you will see that, in view of repeated complaints from tea merchants regarding difficulties

experienced in fulfilling the terms of the bond, the Ministry ruled that the bond procedure was to be cancelled; that in future all Chinese tea (*i.e.*, with the exception of black, brick, and tablet tea) declared for transshipment abroad was to be charged duty, to be refunded by drawback when the tea was actually exported abroad; that the Customs were to cancel all bonds for tea executed during 1930 and charge duty according to this new procedure; and that duties outstanding on tea bonds executed up to the end of 1929 were to be waived.

2.—It was, however, pointed out that if these instructions were given effect to it would impose a serious burden on the tea trade. The Shanghai Commissioner accordingly proposed a modified procedure which, while saving merchants from having to “tie up” considerable sums of money unnecessarily, would at the same time protect revenue interests, and the Kuan-wu Shu have now given their approval to this proposal. I have therefore to request you to adopt the following procedure for all tea liable to payment of duty when shipped coastwise. Such tea shipped to another treaty port, when declared for subsequent export abroad, is to be passed free of export duty at the original port of shipment, a note to this effect being made on the Duplicate Application forwarded to the Chinese port where the transshipment abroad is to be effected. Upon arrival at the latter port, no duty shall be collected if the tea is immediately to be transhipped to a foreign country or remains for not longer than 45 days at the original import wharf under full Customs control. If, on the other hand, the tea has not been despatched abroad within 45 days (the time-limit allowed by the Shanghai Customs for transshipment of cargo abroad) a full export and coast trade duty shall be levied, which are to be refunded by cash drawback when the tea is ultimately re-exported abroad.

3.—As tea merchants at Shanghai claim that the above 45 days’ grace would not give them sufficient time to effect transshipment abroad, the Shu have also sanctioned the proposal that, for the port of Shanghai, tea may be bonded for a period not exceeding one year from a date not later than the expiry of the above days of grace. In such cases it is to be kept at the original import godown—in the case of rail-borne tea, at an acceptable railway godown—and no manipulation, except repacking, is to be permitted. On expiration of the bonding term the tea must either be imported and all duties paid or it must be transhipped abroad within 48 hours of the expiry of the bonding year. It is to be noted, however, that this bonding privilege is confined to Shanghai, and that it is a special procedure for tea which may not be quoted as a precedent.

4.—Tea for which bond has been given that it will be exported abroad during the 1930 season must now either be exported abroad or pay export and coast trade duty as for domestic consumption. Should, however, a merchant at Shanghai wish to avail himself of the privilege of placing such 1930 tea in a bonded godown for one year, he may be permitted to do so. The duties outstanding on tea bonds executed up to the end of 1929 are to be waived.

5.—Finally, for the sake of convenience in reference, a summary of the duty treatment at present authorised for tea is given below:—

All kinds of tea on exportation abroad are duty free (*vide* Circulars Nos. 2978, etc., and 3823).

Black, brick, and tablet tea are duty free on shipment coastwise (*vide* Circulars Nos. 3671 and 3823).

All other kinds of tea are dutiable when shipped coastwise, but if, at time of original shipment, they are declared for subsequent exportation abroad, the treatment to be accorded is as laid down in § 2.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE.

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財政部關務署訓令第三四九五號 中華民國十九年九月二十日

令總稅務司梅樂和

爲令行事據上海市洋莊茶業同業公會呈續請將十八年以前未消派司之茶稅飭關免追等情到部查未消派司茶葉按照原訂保結辦法應由該茶商等照結繳稅茲既迭據聲訴查對爲難情形所有上項保結辦法應即取消嗣後凡屬轉運外洋之華茶應照繳稅項俟出洋時再由出口海關退稅其在本年已具有保結者並應由關照徵稅項將保結註銷按照新定辦法一律辦理至十八年以前未消派司照結應徵之茶稅應准免予追繳以恤商艱除已由部批示該公會知照外合行令仰遵照辦理此令

## CIRCULAR No. 4133 (SECOND SERIES).

**Reports and Returns of Trade: Quarterly, Annual, and Decennial;  
amended methods of compilation and issue of; I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *5th November 1930.*

SIR,

1.—In the early days, when the Customs organisation was practically the only agency through which reliable economic and other information on China could be obtained, the system of publishing a separate Trade Report every year for each individual port served a most useful purpose.\* To-day, however, when there are several Government agencies specialising in supplying such information, and when there are numerous periodical publications—both Chinese and foreign—providing the public with reports and articles written by experts on every aspect of China's trade and commerce, the value of the Customs annual reports on the trade of the individual ports has been so much reduced as not to make it worth while continuing to issue them in published form.

To introduce this change summarily, however, would not have been advisable, and I decided, therefore,—

- (a) That the Trade Reports for the year 1929 of the larger and more important trade centres—viz., Harbin, Dairen, Tientsin, Kiaochow, Hankow, Shanghai, Canton and Kowloon—should be issued as usual;
- (b) That for the year 1929 the Annual Trade Reports from all the smaller centres would not be published, although, of course, the trade statistics of these ports would continue to be issued as before;
- (c) That for the year 1929 the Annual Trade Report for the whole of China, written by the Statistical Secretary, was to be amplified in the section dealing with the trade of the smaller ports, the individual reports on which are now being suppressed, so as to embody the striking facts and features peculiar to each; and

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\* *Vide antea*, vol. i, pp. 34, 309, 416, 639; vol. iii, pp. 382, 511.

- (d) That, beginning with the year 1930, all separate reports on trade for the individual ports—as distinct from trade statistics—are to be discontinued and that only one report is to be issued, namely, that of the Statistical Secretary, covering the trade of the whole country, which will necessarily become a much fuller and more detailed document than at present, but which should gain in interest and suggestiveness, as it will include in one comprehensive survey all the essential facts and considerations from all quarters affecting the trade of the whole country.

2.—With this end in view and to ensure publication at the earliest date possible, I have decided that the Quarterly Memorandum of Trade for the December quarter of each year is to take the place of the Annual Trade Report, and this memorandum is to be amplified and, at the same time, be a synopsis of the trade of the whole year. Further instructions as regards the preparation of this memorandum will be communicated to you by Statistical Secretary's Printed Note.

As I have already stated, it is my intention that quarterly statistics of trade will continue to be published separately as heretofore, but I am not satisfied that, in their present form, these returns satisfy the demands of the Government, of official and semi-official institutions, or of the public, and I hope shortly to be in a position to remodel our present system in order to make it conform more nearly with the information published by other Governments.

3.—The four series of Decennial Reports\* already issued are a mine of most valuable information, but the same forces which now tell against the usefulness of separate Trade Reports from each port are also operative in the case of Decennial Reports. The next issue of these reports is due for the period 1922–31, and, being the fifth issue, will in a sense be a jubilee volume. I have decided, therefore,—

- (1) That Decennial Reports for the period 1922–31 are to be issued in the usual way; and
- (2) That the volume be prefaced by a survey of China's foreign trade during the past hundred years (1832–1931), that is, from a year or two before the abrogation of the charter of the East India Company to the restoration of China's tariff autonomy.

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\* *Antea*, vol. i, p. 639.

The preparation of this survey—which covers the entire modern development of China's trade with the rest of the world and embraces also the rôle played by the Customs Service during the period—will be entrusted, as it involves a considerable amount of research work, to a member of the Service specially detached for this purpose.\* The future alone can decide whether further issues of these Decennial Reports will be called for. It is not unlikely that they may be done away with or their place taken by a single decennial survey of the trade of the country as a whole.

4.—In compiling the fifth issue of our Decennial Reports, the general instructions of Circulars Nos. 1737 and 3082 are to be followed, and while, in the main, the format of the last issue is to be adhered to as closely as possible, changing conditions have necessitated slight modifications in existing headings, and your report should comprise the following paragraphs, for the elaboration of which certain suggestions have been made by the Statistical Secretary as likely to provide useful material:—

1. *Trade.*

Effects of fall in exchange.

Demand for native goods as opposed to foreign imports.

Boycotts.

Changes in demands (*e.g.*, cigarettes, oil, motor-cars, foreign wines, foreign clothes, electrical goods, etc.).

Changes in trade methods (*e.g.*, direct imports by Chinese).

2. *Shipping.*

Development of oil-burning and motor vessels.

Tourist traffic.

Development of steam and motor launch traffic.

3. *Revenue.*

Introduction of gold unit.

Tariff autonomy and collection of additional duties and surtaxes. Comparative details of revenue collected under the 5 per cent *ad valorem* schedule and under additional duties should be excluded.

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\* *Vide* S/O Cir. No. 71, *postea*, vol. iv, p. 385.

4. *Currency and Finance.*

Changes in national and provincial currency.

Circulation of bank-notes.

Mints.

Remittances from Chinese emigrants.

Gold standard.

Use of foreign currencies.

Subsidiary coins.

5. *Agriculture.*

Introduction of modern machinery.

New methods of cultivation; poultry-farming and stock-raising; endeavours to improve quality.

Fertilisers.

Adulteration and its effects on China's export trade.

Afforestation.

6. *Industrial Development.*

Prices and wages.

Labour unions and strikes.

Use of foreign-style machinery to make—

(a) Goods previously imported;

(b) Goods previously made by native methods.

7. *Mines and Minerals.*

Development of new mines.

Transport facilities.

8. *Communications.*

Railways.

Roads and motor transport.

Aviation.

Post Office.

Telegraphs and telephones.

Wireless.

9. *Lights and Aids to Navigation.*

Conservancy: waterways, harbours, water approaches.

10. *Administration.*

Provincial and municipal.

Rendition of Foreign Concessions.

Likin and other non-Customs taxes on goods transported or sold.



11. *Justice and Police.*

Extraterritoriality.  
Abolition of Mixed Courts.  
Law and order.

12. *Military and Naval Changes.*13. *Health and Sanitation.*

Hospitals.  
Medical practice.  
Free inoculation against disease.  
Epidemics.  
Administration.  
Quarantine Regulations.  
Modern drainage systems.  
Street-widening.  
Public water supplies.

14. *Education.*

Growth of colleges and national schools, with a note on the vast number of American institutions as compared with other foreign institutions, and its effect on the Chinese nation.  
Effect of prohibition of religious teaching in schools.  
Growth of Communism.

15. *Literature.*

Newspapers and periodicals.  
Increase in number of printing presses.  
Propaganda and pamphlets.

16. *Population.*

Emigration, immigration, and migration.  
Famine and scarcity.  
Floods.  
The greatest care should be taken to check any estimates of population given.

17. *Civil Disorder.*

Smuggling.  
Coast-guard service.  
Piracy and banditry.

18. *Opium Suppression.*

This paragraph should be so written that it can, if necessary, be detached from the report without spoiling its continuity.

The report is to be dated 31st December 1931, and while it is to be in the hands of the Statistical Secretary not later than the end of March 1932, it should be possible in nearly every case to anticipate this date by several weeks, and Commissioners are requested to see that every effort is made to despatch the report immediately after the close of the year. Reports should be as concise as possible and written in correct and intelligible language. There has been a growing tendency of late years for Commissioners to become careless in their phraseology, reflecting credit on neither the individual nor the Service and necessitating considerable additional work at the Inspectorate in preparing reports for the press.

I am, etc.,

PERCY R. WALSHAM,  
*For Inspector General.*

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CIRCULAR No. 4139 (SECOND SERIES).

**Smuggling: regulations for the guidance of officers in charge of revenue launches or cruisers when engaged in preventive operations.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 21st November 1930.

SIR,

With reference to Circulars Nos. 3990 and 4083 and to S/O Circular No. 61:\*

Dealing with the growth of smuggling consequent on the introduction of greatly increased import duties and with the question of establishing a Customs preventive service:

I have now to enclose, for your information and guidance, copy of despatch No. 33281 from the Ministry of Finance, from which you will see that, with a slight alteration in the text of one of the articles,

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\* *Antea*, vol. iv, pp. 244, 295, 245.

the Ministry has now approved of a set of regulations, which I had submitted to it, for the guidance of officers in charge of revenue launches or cruisers when engaged in preventive operations in Chinese waters.

As yet no official pronouncement has been made by the Government on what China claims as territorial sea or territorial waters.\* In the meantime, however, for the practical purpose of dealing with smugglers along the coast we cannot go far astray in assuming as a working rule that China's right in this matter cannot be less than the generally accepted limit of 3 marine miles from her coast-line outwards, measured from low-water mark. The acceptance of this limit as a working rule for the preventive operations of our revenue launches and cruisers in no way prejudices any decision that the Chinese Government may later on choose to make in regard to delimiting the belt of marginal waters over which she may claim full territorial rights or the wider belt in which she may claim the right of exercising preventive measures for the protection of her revenue. Customs launches and cruisers, therefore, engaged in preventive work are for the present to confine their activities within this 3-mile limit, but in case a suspected smuggling vessel, while within the 3-mile limit, refuses to heave to for Customs inspection and attempts to escape outside the 3-mile limit, such vessel may be pursued into the open seas and there arrested.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* China subsequently—June 1931—claimed jurisdiction for the protection of her revenue over 12 marine miles measured from coast-line at low water-mark. (*Vide* I.G. Cir. No. 4241, *postea*, vol. iv, p. 485.)

ENCLOSURE No. 1.

財政部令關字第三三二八一號中華民國十九年十一月十一日

令總稅務司梅樂和

呈一件遵令擬具海關巡艦巡艇在領海內檢查華洋船隻條例草案請鑒核由

關務署案呈已悉所擬草案除第三章第四項內「一面並須報告廣州灣或香港或澳門政府請求協助」一語應改爲「一面並須電知就近各該管地方政府請求協助」外其餘均尙妥協應准作爲海關巡輪在本國領海內檢查華洋船隻應守規程卽由該總稅務司公布施行除咨外交部通知各國政府查照外合行令仰遵照此令

海關巡艇或巡艦在中國領海內檢查華洋船隻應守條例

第一章 令船隻在海上停駛候驗辦法

一、凡欲令船隻在海上停駛聽候檢查時應按照下列規定分別輪船民船先行發出信號令其停駛

(甲) 關於輪船者

日間放短聲汽笛三次長聲汽笛一次以引起該應受檢查船隻之注意隨即酌量情形用旗號通知該船(須用萬國通例之旗號但遇有緊急情形及案情重大時得用雙旗號)例如用MN旗號

令其立即停駛用 K Z 旗號令其立即停泊俟該船遵令停駛或停泊後再用 S H 旗號問其開往何處及用 S I 旗號問其由何處來同時關輪駛近候驗之輪船並環繞該船行駛俾於必要時用話筒詳細詢問如得滿意答覆可即准其開行免于檢驗

夜間放短聲汽笛三次長聲汽笛一次並以探海燈向擬行檢查之輪船遍照一週後再用摩士符號 Morse Code 通知該船令其停駛或停泊惟此項符號須疊用兩三次俟該船遵令停駛或停泊後仍用摩士符號替代旗號照日間停船辦法詢問該船一切但關輪駛近該船時務須格外審慎並宜常用探海燈射照之

(乙) 關於民船者

日間放短聲汽笛三次長聲汽笛一次並於海關巡艇或巡艦前桅上升懸大紅旗一面隨向應受檢查之民船審慎前駛迨駛至距離民船能保安全地點復用汽笛令其停駛候驗

夜間放短聲汽笛三次長聲汽笛一次並得施放華利白光 Very lights 11 次及用探海燈射照之惟關輪於深夜駛近民船時應十分注意從緩開駛否則必須開足馬力圍繞該船環行或作彎曲式之行駛

凡輪船或民船無論於日間或夜間如不遵令停駛時應即予以追緝如仍敢抗令前進得施放空槍一響示警倘再不遵令停駛得再放空槍一響

二、前項船隻如於施放空槍兩響後仍不遵令停駛得實彈經過該船前方射擊倘再無效如係輪船得向其船舵描準射擊如係民船得向船桅描準射擊使其桅斷帆落或擊傷其他部分總以不危及船員生命爲目的惟以民船船員之居處多在船尾如關員僅欲迫令該船停駛不得向其舵部射擊以免危及船員生命

## 第二章 在海上檢查船隻辦法

一、當船隻已在海上遵令停駛聽候檢查時關輪應停在距離該船能保安全並能防止該船乘間逃逸之地點將機輪緩開並將槍械裝置妥當以防不測之攻擊

二、在候驗船隻及關輪按前條所述地點停駛後其停駛候驗之船如係民船須由關員傳喚該民船船主及管貨人乘其自用舢板渡過關輪後再令武裝巡緝乘划船前往該船施行檢查如係輪船應令其船主將弔橋或繩梯放下以便武裝巡緝登船查驗

海關巡緝乘划船前往民船施行檢查時最好係在民船上風方面登船方保穩妥如在下風方面登船深恐民船上之水手伺隙將船帆傾覆划船上致遭沈沒又海關划船於未靠攏民船以前關輪須駛至與划船靠攏民船同一方向之稍遠地點停泊至少須預爲裝妥機關槍一架向民船描準以備隨時施放迨海關巡緝渡過民船後並須令該船船員齊集一處以武裝巡緝二人監視之

- 三、如檢查完竣該被查船隻並無任何違法情事俟將海關划船掛回原處以後如所查之船隻係爲民船應即令該船船主及管貨人回船並將檢查情形如檢查日期檢查地點關輪名稱及檢查結果等詳載該民船記錄簿內然後放其行駛如係駛往中國口岸之輪船應將檢查經過詳載該輪船艙口單內然後放其行駛
- 四、如檢查時發見所查船隻上載有禁品或走私貨物按其數量或價值認爲應行扣留者應令武裝巡緝留守船上如係輪船則將該船押送至最近關卡如係民船即由關輪將該船拖往最近關卡以憑核辦並將該船船主及管貨人暫於關輪上拘留之

### 第三章 對付船隻武力抵抗辦法

- 一、凡船隻爲關輪追緝時如向關輪施放槍礮希圖逃逸關輪得開槍還擊至該船降服或沉沒爲止
- 二、如遇用武力抵抗之船隻懸掛白旗或用他項方法表示降服時應仍照第二章規定之檢查辦法施行檢查並得將該船全體水手或特別船員於必要時嚴加禁錮交付該管地方官廳懲辦
- 三、如遇船隻被關輪擊傷勢將沉沒時應設法將該船拖至安全地方並對於該船船員及搭客等之生命必須竭力營救如有受傷者尤應妥爲調護並送往醫院診治但被擊船隻雖勢將沉沒而船上水手或尙能有抵抗舉動故仍須格外審慎以防不測之攻擊

- 四、如輪船已爲海盜劫奪而由該海盜以武力抵抗時應立即用無線電通知該區內其他關輪及最近之關卡一面並須報告就近各該管地方政府請求協助但在援力未到以前仍當用全力制止船上任何人離船登岸遇必要時並得將駛近該船之民船或該船放下之舢板擊沉之
- 五、凡船隻用武力抵抗之案件均須將詳細情形呈報該管稅務司

#### 附海關巡輪長應注意之事項

- 一、海關巡輪於執行巡緝職務時凡非奉令准搭之中外旅客一律不准搭載
- 二、如關輪在外國領海內被人攻擊時得開槍還擊以爲自衛之計惟事後須由該巡輪長當面並用書面將經過情形報告就近海關稅務司並附以詳細解釋

- 三、應節省子彈不得濫行施放但求犯法者能以就範以少損財產及生命爲目的

- 四、海關巡輪長應隨時注意其所轄船隻及船上軍械均須完備整齊足資應用對於船中水手並宜專心訓練使其於應盡之職責充分明瞭且須不時令其練習機關槍及來福槍之射擊技術總須防患未然勿使發生意外



## ENCLOSURE No. 2.

INSTRUCTIONS FOR THE GUIDANCE OF OFFICERS  
IN CHARGE OF REVENUE LAUNCHES OR CRUISERS  
WHEN STOPPING AND SEARCHING VESSELS  
(FOREIGN AND CHINESE) IN CHINESE WATERS.

## I.—STOPPING A VESSEL AT SEA FOR PURPOSES OF SEARCH.

1.—When it is desired to stop a vessel at sea for the purpose of carrying out a Customs search, the vessel must first be called on to stop by signalling.

*(a) Steamers.**During Daytime.*

Three short and one long whistles to be blown to call the attention of the vessel, followed by hoisting the flag signal:—

(The International Code of flag signals should be used, and the two-flag signals for urgent and important cases to be adopted in preference.)

*MN* = Stop instantly, or

*KZ* = Anchor instantly,

as the circumstances require or permit. If the order is complied with, the following signals should be hoisted:—

*SH* = Where are you bound? and

*SI* = Where are you from?

In the meantime the Customs launch should approach and circle round the steamer in order to enable the use of megaphone, if necessary, to ask details. If the answers are satisfactory, she may be allowed to proceed without searching.

*At Night.*

Three short and one long blasts of the whistle should be sounded, followed by the searchlight being turned on the vessel for a time, and then the Morse Code is to be used, ordering the vessel to stop or anchor as above. The signals should be repeated two or three times.

If the order to stop or anchor is complied with, the procedure adopted above for daytime may be followed for the night, using the Morse Code instead of flags, but greater precautions should be taken when approaching the steamer, and the searchlight should be turned on her frequently.

*(b) Junks.**During Daytime.*

Three short and one long blasts of the whistle to be sounded and a large red flag hoisted on the fore-mast. The Customs launch or cruiser should approach the junk cautiously up to a safe distance and repeat the blasts of the whistle for her to heave to.

*At Night.*

Three short and one long blasts of the whistle to be sounded, followed by the searchlight being turned on the vessel. If advisable, one or two white Very lights may be fired, but only when such are not likely to be mistaken for signals of distress. Greater precautions should be taken in approaching a junk at night.

*N.B.*—It is considered a safe distance when the cruiser or launch is outside the range of the junk's guns, which as a rule are old cannons with small range, but within the range of the more modern arms of our craft. Provided our craft are out of range of the junk's guns, it is admissible to move at slow speed; otherwise, our vessels should circle the junk at high speed and zigzag.

If the signals to stop a steamer or a junk at daytime or at night are disregarded, the vessel in question should be chased, and if she continues on her way, a blank shot is to be fired, followed by a second if she still refuses to stop.

2.—When two rounds of blank have proved insufficient to make the vessel heave to, a live shot may be fired across her bows, and if this proves ineffective, shots may be fired at the vessel herself, aimed, if a steamer, at the rudder, and, if a junk, preferably at the mast, in order to bring down her sails, or at some part of the hull where any ensuing damage is least likely to cause loss of human life. As most junks have living quarters in the stern, shots should not be directed at the rudder for the mere purpose of causing a junk to heave to.

## II.—SEARCHING A VESSEL AT SEA.

1.—When a vessel has been stopped at sea for searching purposes the launch or cruiser must be kept at a safe distance from the vessel, but in such a position as to intercept any attempt at flight, the engine working at slow speed, and the guns properly manned to be in readiness for a surprise attack.

2.—As soon as vessel and launch (or cruiser) are in the position indicated above, if a junk, the master and the supercargo are to be summoned to come on board the launch or cruiser in their own sampan, and when they have done so an armed party in the Customs gig is to proceed on board the vessel to carry out the search. If a steamer, and searching is considered necessary, the master should be instructed to lower the rope-ladder or gangway to permit the armed party to board the steamer.

When our boarding boat proceeds alongside a junk to search her, she should board the junk on the weather side if possible. By boarding on the lee side there is the chance of the junk's crew suddenly letting the heavy sails of the junk fall on top of the boat and sinking her. Before the boarding boat has gone alongside the junk our craft should manœuvre so as to get into a position remote from the side the boat boards on and keep at least one gun manned and trained on the junk. Directly the junk is boarded the junk's crew should be mustered and kept under watch by a couple of armed men.

3.—If, after search, everything is found to be in order, and after the boarding boat has been hoisted, if a junk, the master and the supercargo are to be allowed to return to the vessel so that she may proceed on her way, and the fact of the search is to be recorded in the junk's passbook, with all necessary details, such as date, approximate location of junk when searched, name of revenue launch or cruiser, result of search, etc. If a steamer, she may be allowed to proceed, and the fact that the boat has been searched should be noted on her manifest, if bound for a Chinese port.

4.—If search reveals the presence of contraband, or of smuggled goods in such quantity or of such value as to justify seizure, an armed party is to be left on board and the vessel, if a steamer, escorted to the nearest Customs station. If a junk, she should be towed to the nearest station, the master and the supercargo remaining on the launch or cruiser.

### III.—DEALING WITH A VESSEL OFFERING ARMED RESISTANCE.

1.—When a vessel that is being chased opens fire on the revenue launch or cruiser chasing it and tries to escape, fire is to be returned immediately and maintained effectively until the vessel surrenders or is sunk.

2.—When a vessel which has offered armed resistance hoists a white flag, or gives any other recognised sign of surrender, the procedure described under "II.—Searching a Vessel at Sea" is to

be followed, with the proviso that the crew of the vessel, or any particular members of it, may, if necessary, be put in irons pending their delivery to the proper authorities.

3.—If a vessel which has been fired upon shows signs of sinking, an attempt should be made to tow her into safety; but, in any case, every effort must be made to save the lives of all on board and to see that wounded men are properly cared for and brought to hospital. Precautions should, however, be taken to avoid surprises, as, although a junk may be sinking, the crew may still resist.

4.—In case a steamer which has been pirated offers resistance, the case should be promptly reported by wireless to all other revenue launches and cruisers in the district and to the nearest Customs station, and also to the nearest local authorities, with a request for assistance. In the meantime, until assistance arrives, every effort should be made to prevent by force the landing of any party from the steamer and, if necessary, to sink any junk approaching or gig leaving the pirated vessel.

5.—All cases of armed resistance, with full details, must be reported promptly to the Commissioner.

#### CAUTIONS.

1.—Every officer in charge of a revenue launch or cruiser engaged in the prevention of smuggling is to see that no unauthorised passengers, either Chinese or foreigners, are allowed on board when the launch or cruiser is actively engaged in the suppression of smuggling.

2.—A revenue launch or cruiser attacked in foreign waters has the right to fire in self-defence. At the conclusion of an engagement in foreign waters the officer in charge is to report in person and in writing to the nearest Commissioner, explaining fully the circumstances attending the action.

3.—Ammunition must not be used indiscriminately but as sparingly as the circumstances demand, the object being to bring offenders to book with as little destruction to life and property as possible.

4.—Officers in charge of revenue launches or cruisers should bear in mind the importance of having the vessel and her equipment in first-class condition ready for service. They should pay strict attention to the training of their crews. Every man should know exactly what is expected from him, and target practice with machine guns and small arms should be regularly carried out. Nothing should be left to chance, and every contingency should be provided for.

## CIRCULAR No. 4147 (SECOND SERIES).

**I.W.S.N. vessels: development of regulations for; duty treatment of goods conveyed in, from treaty port to treaty port *via* an inland place, etc.; I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *6th December 1930.*

SIR,

1.—In 1898 the Chinese Government decided to open up inland places to steam navigation, the privilege to be accorded to Chinese and foreigners alike.\* This was in effect an extension of the privilege granted two years previously to Chinese only by the Chinese Steam Traffic Rules of 1896. To control this inland steam navigation traffic, on its extended basis, a set of regulations was issued in March 1898, which was revised and amplified in July that year, and to which supplementary rules were added in September also of that year. In 1902 these 1898 I.W.S.N. Regulations acquired the force of treaty stipulations by being endorsed in Annex C to the Mackay Treaty, when additional rules were also sanctioned.

2.—The enforcement of these 1898 rules and regulations for the control of steam navigation inland soon raised many questions regarding their interpretation and practical application. Prominent among these questions was that of the duty treatment of goods carried by vessels trading under these regulations, more especially of Chinese goods when conveyed by a vessel inland from a treaty port, the Native Customs establishments at the treaty ports at that time not being under the Inspector General. In this connexion the original Chinese Steam Traffic Rules of 1896 laid down—

- (a) That, in the case of coasting steamers trading between treaty ports and non-treaty ports, “exports shall pay full export duty at the Custom House, and, similarly, imports shall pay coast trade half-duty in accordance with the regulations governing trade between treaty ports”; and
- (b) That, in the case of launches plying from treaty ports to places inland, “duties on the cargo carried will be levied in accordance with the regulations governing similar trade in native vessels at the same places.”

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\* *Vide* I.G. Cir. Nos. 846 and 906, *antea*, vol. ii, pp. 138–155, 224–229.

The principle underlying this distinction was largely one of dimension, the idea being that, as the smaller steam vessels were not suitable for trade between widely separated treaty ports, they should, so far as duty treatment of their cargo was concerned, be placed in the same category as junks. At that time, too, the various Native Customs establishments at the treaty ports were not under the Inspector General's control, and it was considered advisable not to interfere with their acknowledged fiscal jurisdiction. It should be noted that, although these rules have never been abrogated officially, they have fallen completely into the background, as the trade for which they legislate is provided for by the subsequently issued Inland Waters Steam Navigation Regulations.

3.—The amended I.W.S.N. Regulations of July 1898 and the Supplementary Rules of September of that year do away with the distinction between large and small vessels, but stipulate that steamers trading under these regulations are not to be "vessels of sea-going type." This latter restriction, however, was removed by Article III of China's Commercial Treaty with Japan of 1903, by which the privilege of engaging in this inland trade was thrown open to "any . . . steamer capable of navigating the inland waterways" (*vide* also I.G. Circular No. 1111).<sup>\*</sup> These amended regulations with supplementary rules also made provision for the duty treatment of foreign and of native goods carried from a treaty port inland by steamer. Foreign goods, if not covered by Transit Pass, are to pay the dues and duties leviable at whatever stations may be passed *en route* to destination (Supplementary Rule 1). Native goods are obliged to "pay export duty according to the regulations for outgoing cargo shipped in native vessels," and "inland whatever dues and duties are payable by similar goods carried in native vessels" (Supplementary Rules 2 and 3).

4.—Within four months of the promulgation of these rules the Swatow Commissioner raised the question of the duty treatment of Chinese goods conveyed in a vessel under I.W.S.N. Rules from one treaty port to another—a case not provided for in the regulations,—and the decision given was that such goods were liable to coast trade duty (I.G. Circular No. 872, A, No. 194). This decision was quite in keeping with the view then held that vessels registered for inland waters trade should not engage in trade between treaty ports, but should use the port at which they were registered as the centre of their operations, from which they should proceed on their trips inland, and to which they should regularly return without venturing into the district of another treaty port (I.G. Circular No. 906).<sup>†</sup>

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<sup>\*</sup> *Antea*, vol. ii, p. 350.

<sup>†</sup> *Antea*, vol. ii, pp. 224–229.

5.—This limitation of range of a vessel registered for trade under I.W.S.N. Rules held from 1898 until the ratification of the Mackay Treaty, which was signed on 5th September 1902 and ratified on 28th July 1903. By Annex C of this treaty the existing I.W.S.N. Rules were amplified, and by section 8 of this Annex the trading range of an I.W.S.N. vessel was extended so as to permit it to touch at one or more treaty ports on its registered route. This regulation thus opened to an I.W.S.N. vessel the advantages of trading both to inland places and to treaty ports on the same trip. In other words, it became possible in actual fact for a steamer to be both a coasting and an inland waters vessel at one and the same time, which fact, together with the frequently enunciated principle that no steamer could trade under two sets of regulations at one and the same time, introduced an element of confusion as regards the duty treatment of goods conveyed by these inter-treaty-port I.W.S.N. vessels. This confusion could have been avoided had it been clearly recognised that the extended range given to these vessels by the Mackay Treaty had in effect altered the character of the I.W.S.N. Regulations from being what they had previously been, namely, a water-tight set of rules complete in themselves, the enforcement of which did not trench upon the province of other regulations. Once, however, it had been admitted that an I.W.S.N. vessel, instead of being confined to one treaty port as its centre, could make inland voyages touching at two or more treaty ports before returning to its centre, it inevitably followed that the I.W.S.N. procedure encroached upon the sphere of the general shipping regulations governing the movement and treatment of vessels trading from treaty port to treaty port. The proper point of view, therefore, from which to regard the I.W.S.N. Regulations is not as a set of self-contained rules in complete independence of the general shipping regulations, but as subordinate and complementary to the general shipping regulations, which in all matters of inter-treaty-port trade have prior and superior authority.

6.—A typical example of the confusion which has arisen from the effort to keep the I.W.S.N. Regulations and the general shipping regulations mutually exclusive in their operations, when in reality they overlap, is the practice which recently obtained at the Shanghai Native Customs of charging only Native Customs duty on Chinese exports in I.W.S.N. vessels, even though such exports were declared for Wenchow, and giving such goods documents covering them to Ting-hai (定海), where they were not landed or transhipped, but were charged the Native Customs duty according to the Chekiang tariff. It is clear that this practice enabled such shipments, which

were in reality direct from treaty port to treaty port, to evade the Maritime Customs export and coast trade duties and to take advantage of the lighter Native Customs duties at Shanghai and Ting-hai. Following the lead given by Shanghai in this matter, Wenchow and Ningpo adopted the same incorrect procedure.

7.—To remedy this anomalous state of affairs I first laid the facts before the Kuan-wu Shu and stated that I proposed to issue a Circular explaining, as above, the development of the I.W.S.N. Regulations and the manner in which they overlap the general shipping regulations. At the same time I suggested that the adoption and enforcement of the following four rules would settle the matter definitely for all ports:—

- (1) Native goods, in a vessel trading under I.W.S.N. Regulations, shipped from a treaty port and destined for another treaty port at which that vessel touches on its authorised route, are to pay Maritime Customs export duty at port of shipment and coast trade duty at port of discharge.
- (2) Native goods, in a vessel trading under I.W.S.N. Regulations, shipped at a treaty port and destined for an inland place on the authorised route of such vessel, are to pay the Native Customs export duty leviable at port of shipment and whatever Native Customs and/or Likin dues and duties may be leviable at destination or *en route* to destination. The same duty treatment is to be applied also to native goods, not covered by an Outward Transit Pass, shipped in an I.W.S.N. vessel from an inland place to a treaty port.
- (3) Foreign goods shipped from one treaty port to another by a vessel plying under I.W.S.N. Regulations are to be accorded the same duty treatment as foreign goods shipped under the general shipping regulations.
- (4) Foreign goods shipped from a treaty port to an inland place by a vessel plying under I.W.S.N. Regulations, unless covered by an Inward Transit Pass, are liable at port of shipment, *en route*, and at port of discharge to the same levies as foreign goods shipped by junk. Similarly, foreign goods reshipped in an I.W.S.N. vessel from an inland place to a treaty port are liable to all the dues and duties leviable on such goods when shipped by junk.



8.—As you will see from the appended despatch, the Kuan-wu Shu has approved of these rules, and you are accordingly instructed to see that they are duly observed at your port.\* The most frequent form of evasion will probably continue to be that of attempting to get goods passed under the Native Customs instead of the Maritime Customs Tariff. Should a merchant attempt to evade these latter duties by declaring his cargo for an intermediate inland place, and obtain documents for that place, it devolves upon the Customs at the treaty port of destination for which the goods are really intended to deal with the case as an attempted evasion of duty, provided that the goods have actually come direct from the treaty port of shipment. To enable the Customs at treaty port of destination to decide without risk of mistake that such goods have actually come direct, the Customs at treaty port of shipment are to make out duplicate Chinese Cargo Certificates, giving full details of all cargo declared for intermediate inland places, duties paid, etc., and are to send a copy of this document, under separate cover, addressed to the Customs at treaty port of steamer's destination. Should any goods specified on that document as for an intermediate inland place arrive by the same vessel at treaty port of steamer's destination, it is clear that evasion of duty has been attempted, and the case is to be dealt with accordingly.

9.—Duties collected in this connexion by the Native Customs on behalf of the Maritime Customs on goods imported or exported from one treaty port to another by I.W.S.N. vessels are to be turned over daily, or at regular intervals, to the Maritime Customs for inclusion in the latter's Revenue Accounts. In accordance with long-established precedents, which have been recognised by the Kuan-wu Shu (*vide* I.G. Circular No. 3950), one-tenth of the revenue so collected is to be deducted and placed to the credit of Account *N*. When accounting for these duties you are to note that figures for the gross collection, under their respective headings, are to be supplied to the Maritime Customs, and that the one-tenth deducted for Account *N* is to be entered under 2, (b), in your [*B.—6*] report—Extraordinary Charges: Special Appropriations. To ensure uniformity and strict correctness in accountancy these instructions are to be taken as superseding those contained in Chief Secretary's Memorandum No. 50, so that in future the gross figures of the revenue collected by the Native Customs on behalf of the Maritime Customs under all headings are to be reported, and the one-tenth deducted is to appear duly recorded in the [*B.—6*] report under 2, (b).

\* The abolition of *likin*, transit dues, coast trade duty, and Native Customs dues from the 1st January 1931 (*vide* I.G. Cir. Nos. 4158 and 4240, *postea*, vol. iv. pp. 339, 478).

10.—Seeing that goods carried by I.W.S.N. vessels from one treaty port to another must in future either pay Maritime Customs duties at a treaty port Native Customs or be under Maritime Customs documents when declared there, it follows that for returns purposes such goods form part of the Maritime Customs trade. Care must therefore be taken to see that the Maritime Customs Returns Office is supplied with full and accurate data of all goods conveyed in I.W.S.N. vessels from one treaty port to another so that they may be entered in the Maritime Customs trade returns. It is, of course, to be understood that goods from inland places to treaty ports, or *vice versa*, are not to be so included. Provided all ports concerned take due care to compile their returns of such I.W.S.N. treaty port to treaty port trade as directed above, there should be no preponderance of exports at one treaty port without any corresponding entry of imports at another treaty port, and *vice versa*. The returns treatment of the entrance and clearance of I.W.S.N. vessels has already been dealt with in Printed Note No. 507.

11.—Finally, I have to request you to note that fines levied and confiscations made in connexion with this I.W.S.N. inter-treaty-port trade are to be recorded in the Maritime Customs Fines and Confiscations Report. All such fines and proceeds of confiscations, accordingly, are to be paid into your Account *B* and are not to be passed through Account *N*. Rewards in such cases are to be issued from Account *B* to the Native Customs employees entitled to them.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE.

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財政部關務署指令政字第三八七一號中華民國十九年十一月二十一日

令總稅務司梅樂和

呈一件爲遵令擬具內港輪船裝運貨物徵稅辦法呈祈鑒核示遵由

呈悉禁核所擬內港輪船裝運貨物徵稅辦法四條劃一納稅制度不以輪船性質爲區別甚見周妥應准

如擬辦理除由部分行外仰卽知照此令

## CIRCULAR No. 4151 (SECOND SERIES).

**Training of Examiners:** classes to be instituted at certain ports and their working to be recorded in quarterly reports on examination, valuation, and classification of cargo; sample collections to be enlarged; scrutiny of Examiners' work on Applications to be resumed by General Offices; responsibility of Assistants for correctness of Applications emphasised; instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 19th December 1930.

SIR,

The question as to the proper technical training of Examiners at the ports is one that has been raised many times in the history of the Customs Service. In discussing this problem Circular No. 2487,\* as early as in 1916, pointed out that the days had passed when an officer could be placed on examination work and left there to pick up a knowledge of his duties as best he may; that the work of an Examiner, always important, tended to become more and more technical and specialised; and that the problem to be solved was how examination work could be improved and the training of Examiners undertaken on lines suitable to the requirements of the times.

The conclusions reached in this Circular were that, since Service requirements did not permit the establishment of a training school at Shanghai through which all candidates for Examiners' positions might be passed, the only possible plan was to encourage private study among the Staff. As a step in this direction Commissioners were instructed to rearrange and complete their sample collections, which were to be used as a means of education, and a series of technical books were supplied to the major ports to serve as reference in the course of examination work.

In Circular No. 2588,† which is replete with many pertinent hints, suggestions, and instructions, the following measures were—*inter alia*—recommended as means towards improving the knowledge of our Examiners:—

- (a) The frequent shifting of officers from wharf to wharf, so that all-round experience may be gained;

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\* *Antea*, vol. iii, pp. 294–299.

† *Antea*, vol. iii, pp. 371–379.

- (b) The giving of lectures on goods by seniors to junior members of the Staff and the study of local products in general, matters which could be greatly improved by a Commissioners' interest and encouragement;
- (c) The gradual elimination of Weighers—as done at Shanghai and other ports—in order to render our officers independent of these local employees;
- (d) The collecting of catalogues and price-lists of goods.

Again, Circular No. 3483,\* § 4, impressed upon Commissioners the necessity for promoting the knowledge and efficiency of the Examiners and for improving existing methods at the Sheds.

The promulgation of the 1929 Import Tariff, with its more scientific classification of goods and its *ad valorem* rates ranging from  $7\frac{1}{2}$  to  $27\frac{1}{2}$  per cent, has considerably enhanced the need for a deeper and more extensive knowledge of foreign imports on the part of Examiners. Moreover, our senior and experienced officers are withdrawing at a disquietening rate, while the juniors—especially Chinese and Japanese—are not at present adequately trained and experienced in the difficult work of verifying, appraising, and classifying goods.

The problem before us is, therefore, how to raise in the minimum of time a class of Examiners and Appraisers able to cope with a work which increases in difficulty as new and more complicated tariffs are introduced.

Past experience has shown that private study—as recommended in Circular No. 2487,—however earnestly encouraged, is inadequate as a means of raising the standard of knowledge of our officers to present needs. Moreover, such individual efforts are, in general, pursued unsystematically and without regard to the requirements dictated by the Service as a whole, which are not known or understood by the students.

In the matter of samples, recent inspections of the ports have brought to light that some Custom Houses have quite creditable and representative collections, while the majority have evidently neglected these important means of education entirely, a state of things which, in view of standing instructions (Circulars Nos. 2, 33, 572, 978, 2487, and 2588), indicates the scanty interest taken in the past in the examination of goods and the training of juniors.

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\* *Antea*, vol. iv, p. 3.

A serious effort should be made in future to enlarge the collections of samples as much as possible so as to contain at least representative specimens of all goods, including textiles, dealt with at the ports concerned. The senior Appraiser or Examiner is to have charge of the collection and will be held responsible towards the Commissioner for its completeness and safeguarding. Ports such as Harbin, Dairen, Kiaochow, etc., where goods of a special nature are imported and exported, should take particular pains to obtain samples of their peculiar commodities.

I would refer you also to Circular No. 2648, which deals with a system of checking the work of Examiners on Applications with a view to improving their knowledge and efficiency. The instructions contained therein appear to have been entirely overlooked by the ports, with a few commendable exceptions.

Means should be devised to have every Application verified before it is passed to the Duty Calculation Desk. Where this is not possible, ships' covers should be scrutinised after they have been made up, and errors, omissions, and miscalculations discovered should be recorded for the Commissioner's information. In this connexion you are reminded of the instructions contained in the same Circular that the information gained of the efficiency or otherwise of each individual Examiner is to be embodied in your annual Confidential Report.

As to the suggestion offered in Circular No. 2588, § 8, that lectures on goods be given by senior Examiners to their juniors, it appears that individual efforts in this direction were made at times here and there, notably in Tientsin, but no sustained, methodical, and uniform system has anywhere been evolved and followed. Therefore, mainly through lack of encouragement, these sporadic attempts, however commendable, have failed to produce appreciable results. Shanghai appears to be the only port where this problem was faced in a methodical manner. In order to meet the pressing need for more knowledge and to regulate the practical and theoretical training of our officers, Examination Classes were instituted in Shanghai in 1926, and these have been functioning regularly ever since with conspicuous success every season from October to June.

It has now been decided to extend these classes to the following ports: Harbin, Newchwang, Dairen, Antung, Tientsin, Kiaochow, Hankow, Amoy, Swatow, Canton, and Wuchow.

At Harbin and Newchwang, where the ports are closed and work is slack during three of the winter months, the classes should be held during those periods at whatever hour or hours of the day

that may be found most suitable. Commissioners at the other ports should decide upon an hour which will least interfere with the ordinary work of the Examining staff. During his visits to the ports the Tariff Secretary observed that at many Custom Houses there is little or no work before 9 a.m., though the Examination Sheds open at 8 or 8.30 a.m. It may be mentioned that in Shanghai—the busiest port in China—classes have been held for the last four years daily from 8 to 9 a.m. without any inconvenience or dislocation of staff.

The classes should be supervised and directed personally by the Deputy Commissioner or by the Assistant in charge of the Appraising Office, or, at ports where there is no Appraising Office, by the Assistant in charge of the General Office.

Logically, the senior Appraiser or Examiner should be the instructor. But in cases where the senior officer does not possess the necessary qualifications, such as sufficient knowledge of English, facility of diction, inclination for this special work, etc., the Commissioner may select for this work the next best man below the senior rank. A manual for the guidance of instructors has been compiled by Mr. J. A. Dick,\* Chief Appraiser in the Shanghai Appraising Department, and a mimeographed copy is being supplied to each port where classes are to be held. It contains instructions as to the method of imparting knowledge, and the lessons are so conceived that with its help, and after some preparation, a comparatively junior Examiner possessing the necessary mental qualifications should be able to act as instructor.

Attendance at the classes should be made compulsory for Examiners and Appraisers below the rank of Examiner and Appraiser, A, who have not previously attended the classes at Shanghai. Any

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\* James Archibald Dick was born on the 9th March 1880 at Bristol, and after having served for two years as a clerk in an insurance office, joined the Customs Service on the 1st July 1901 at Shanghai as a Watcher. He passed quickly through the various ranks of Tidewaiter at Chinkiang, and while there was promoted Assistant Examiner in January 1904. In 1909 he was transferred to Harbin, where he remained in the capacity of Examiner for three years. Between April 1913 and October 1920 he saw service at Nanking and Chungking. From October 1921 to April 1928 he was stationed at Hankow, at which port he was promoted Chief Appraiser in March 1928. The rest of his Service career—apart from two periods of home leave—to the 15th October 1935, the date of his retirement, was spent in the Appraising Department, Shanghai, where he held the rank of Supervising Chief Appraiser. After retirement he was offered and accepted the position of Technical Adviser to the Appraising Department, a post which he held from the 16th October 1935 to the 15th October of the year following. In recognition of his very valuable services in raising the standards in the examination of goods and the appraising of values the Government conferred upon him the Customs Silver Medal for Meritorious Services.

senior member of the Examining and Appraising staffs, as well as Tidewaiters of the Executive staff who feel an inclination towards examination work, should be encouraged to attend.

The classes are to be started during this season as soon as possible after the 1st January and closed at the end of May or June. In future the school year is to begin on the 1st October and close at the end of June. A list of the students enrolled is to be given in the Report on Examination Work, Valuation and Classification of Cargo for the March quarter 1931. It is to be made clear that, by entering his name as a student, an officer assumes the obligation to follow the whole course of studies and that he is not to remain absent from the classes without valid reasons.

At the end of the school year your quarterly Report on Examination Work, Valuation and Classification of Cargo should give an account of the manner in which the classes were conducted, the results achieved, the absences through any cause, and any other fact worthy of being recorded.

As was pointed out in recent despatches to the ports with regard to the institution of the group system, the application of the existing Import Tariff (1929) requires that a much greater share of responsibility for checking the findings of Examiners on the Application must be assumed by the Assistants in the General Office. The revised Tariff, with increased specific and *ad valorem* rates, which is to be promulgated shortly, will enhance the necessity of close co-operation between the Sheds and General Offices to a very appreciable extent. The study of the nature, provenance, and values of commodities dealt with at the ports is in itself a field of great interest to Assistants. But, apart from this, the examination, valuation, and classification of goods is the basis on which rests the revenue of this country, and therefore these matters claim the closest attention of the Commissioner and of the Assistants directly responsible to him for the correctness in every detail of the Applications signed by them. With this in view, Commissioners should endeavour by their counsel and example to inspire their subordinates with such an interest in their work as shall elicit the knowledge and qualifications that will fit them for this increasingly difficult work.

In this connexion I would draw attention to the "Provisional Instructions for the Guidance of the In-door Staff," IV.—Service Series: No. 5, in which it is clearly laid down that, though reliance must necessarily be placed on the special knowledge and experience in verifying, valuing, and classifying goods possessed by Appraisers



and Examiners, the Assistants are primarily responsible to the Commissioner for the correctness of the procedures through which an Application passes from the moment it is presented by the applicant until the goods are finally released (*vide* headings "Control, and Training of Subordinates by Commissioners"; "Imports: Applications to land"; "Assessment of Duty"; "Duty Memo.").

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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CIRCULAR No. 4153 (SECOND SERIES).

**Examination Work, Valuation and Classification of Cargo: Reports on, to be submitted quarterly, beginning with the March quarter 1931; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 23rd December 1930.

SIR,

With reference to I.G. Circular No. 3935:\*

Notifying the creation of a Tariff Secretariat at the Inspectorate General, the duties of which will be—*inter alia*—to ensure greater uniformity in the classification and valuation of goods at the ports and to increase the efficiency of the Examination and Appraising staffs of the Service:

I have to inform you that, in order to enable me to keep in touch with the work of your establishment, you are to submit, beginning from the March quarter 1931, a quarterly report on the examination, valuation, and classification of cargo at your port.

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\* *Antea*, vol. iv, p. 205.

Some of the major ports have been forwarding such reports for the last few years, while others have done so in the course of 1930. This practice, which has produced excellent results, is now to be extended to all Custom Houses under my control. In order to ensure uniformity in the grouping of the subjects to be treated and for the purpose of facilitating reference, the following rules should be adhered to in the compilation of these reports, which are to be headed "Report on Examination Work, Valuation and Classification of Cargo at — (port), — Quarter 19—." The subjects should be grouped under the following headings, typed in capital letters, and underlined.

I. STAFF:—

- (a) Appraising Department, Appraising Office, or Desks.
- (b) Examination Sheds.
- (c) Postal Parcels Office.

Tables showing the distribution of Assistants, Clerks, Appraisers, Examiners, Tidewaiters, and Typists connected with the work of examination, valuation, and classification of cargo, drawn up in the manner shown below. Staff requirements, suitability of officers for their work, and other facts worthy of attention should be stated.

| RANK. | NAME. | WHERE STATIONED. | DATE OF APPOINTMENT TO PORT. |
|-------|-------|------------------|------------------------------|
|       |       |                  |                              |

Shanghai should prepare separate tables for (a), (b), and (c).

II. WORK:—

(a) *Appraising Department, Appraising Office, or Desks.*

1. Improvements introduced during quarter in valuation and classification of goods.
2. Suggestions *re* further progress.
3. Handicaps and difficulties encountered in ascertaining values.
4. Measures taken to ensure closer co-operation between Examiners at the Sheds and Assistants in the General Office.
5. Attitude of the public towards endeavours to apply Tariff Rules.
6. How the group system is working, with suggestions towards its improvement.

(b) *Examination Sheds.*

1. Improvements in examination work introduced during the quarter.
2. Suggestions for further progress in such work.
3. Handicaps and difficulties encountered in the above.
4. What has been done with regard to enlarging the sample collection including piece goods musters.
5. What is being done to render Examiners independent of Weighers.
6. Other facts worthy of attention.

(c) *Postal Parcels Office.*

Sub-headings as (b) above.

III. EXAMINERS' CLASSES. (I.G. Circular No. 4151.)

1. List of students enrolled at the beginning of the school year. (To save time and labour, names of the officers attending the classes may be marked with an asterisk on the table showing the distribution of staff.)
2. Attitude taken by the staff in general towards the endeavours to improve their knowledge and efficiency.
3. Other facts worthy of interest.
4. A short statement describing results achieved by the classes. (To be sent only at the end of the school year.)

IV. MISCELLANEOUS.—All matters of interest not mentioned above.

These reports, which are of great value to the Inspectorate, should be signed by the Deputy Commissioner or by the Assistant in charge of appraising work, or, where there are no Appraising Desks functioning, by the senior Assistant in the General Office. A copy of these reports is to be sent to the Tariff Secretary direct.

Assistants, Appraisers, and Examiners connected with the work of verifying, valuing, and classifying goods should be encouraged to co-operate by contributing material, and the reports, written in a crisp and concise style, are to be forwarded under covering despatch, embodying the Commissioner's comments, if possible not later than 15 days after the end of the quarter. In this connexion it should be

noted that suggestions of any kind contained in the reports cannot be taken into consideration unless recommended by the Commissioner concerned.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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CIRCULAR No. 4158 (SECOND SERIES).

**Likin, *extra-50-li* Native Customs, transit dues, and coast trade duty:  
abolition of, from 1st January 1931; I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 31st December 1930.

SIR,

1.—With reference to my circular telegram of the 18th December:

Notifying that, in accordance with Government instructions, transit dues, both inwards and outwards, and coast trade duty are to be abolished on 1st January 1931; instructing you to cease collecting these levies on that date and, in conjunction with the Superintendent, to notify the public accordingly:

I have now to append, for your information and guidance, copy of despatch No. 24531 from the Ministry of Finance, from which you will see that, at the Fourth Plenary Session of the Executive Committee, held recently, it was decided that (1) likin—no matter under what name this tax may operate, such as consolidated tax (統稅), consolidated dues (統捐), special tax (專稅), goods tax (貨物稅), railway goods tax (鐵路貨捐), parcel tax (郵包稅), lotishui (落地稅), etc.,—(2) all Native Customs levies, either on the coast or inland, except those in force at the treaty ports within the 50-*li* radius under the control of the Maritime Customs, which for the present are to be retained, (3) transit dues, both inwards and outwards, and (4) the coast trade duty are to be abolished from the 1st January 1931.

2.—So far as the abolition of *likin* is concerned the execution of this order does not vitally affect the Maritime Customs Service, except as regards the *likin* and *chingfei* collection at Kowloon and Lappa, to which places special instructions in this connexion have been sent. The general *Likin* Collectorates at Kiukiang, Shanghai (Sung-Hu), Soochow, and Hangchow, the revenues of which had in 1898 been pledged for the service of the 4½ per cent Anglo-German Gold Loan of 1898,\* have for many years past—Shanghai since December 1911, Soochow since December 1913, Hangchow since October 1920, and Kiukiang since September 1925—ceased making remittances to the Inspector General's accounts for this purpose, so that the abolition of these collectorates calls for no comment. The Inspector General's connexion with the three Salt *Likin* Collectorates at Ichang, Hankow, and Tatung (Anhwei)—the revenues from which had also been pledged for the service of this loan—naturally ceased when the Salt Gabelle was placed under a separate administration, the object of which was to control the total salt revenue of the country and to serve therefrom all the obligations secured on it, including the Reorganisation Loan of 1913.†

3.—To deal with the *extra-50-li* Native Customs establishments, many of which are functioning on the coast-line, controlling not simply domestic trade but also, in certain cases, a brisk junk trade between China and foreign places, the Government has called on the Service to lend its assistance in carrying out a thorough investigation of all such establishments in order to be in a position to decide which of these establishments should be retained as branch offices of the Maritime Customs for the control of these foreign-going junks and which—both on the coast and on the land frontier—as stations for the checking of Maritime Customs documents certifying payment of import or export duty. To this end the whole coast-line, and the land frontiers adjoining existing treaty ports, have been divided into sections and the necessary investigation of each section entrusted to the nearest Maritime Customs establishment. Instructions in this matter have already been issued telegraphically to all the Commissioners concerned, and all those so addressed are again requested to complete their investigations and report as quickly as thoroughness of research will allow in order that the Government may be able to issue as soon as possible definite instructions to guide further action on our part. In the meantime, it should be noted, we are not in any way charged as yet with the task of taking over these establishments. Our sole business at

\* *Vide* I.G. Circ. Nos. 820 (*antea*, vol. ii, pp. 104–130), 832, 851, 855, 865 (*antea*, vol. ii, pp. 156–158), 869, 893, 902 (*antea*, vol. ii, p. 222).

† *Vide* I.G. Circ. Nos. 2180 and 2184, *antea*, vol. iii, pp. 174–179.

present is to investigate, report, and make suggestions. The four *extra-50-li* Native Customs collectorates the control of which was entrusted recently to the Maritime Customs,\* namely, Fengyang, Yangyu, Wuhu, and Wenchow, have been given specific instructions regarding the closing of these establishments and the disposal of staff, property, and revenue.

4.—In a measure the purpose of which is to remove the trade-cramping disabilities of internal taxation it is only fitting that transit dues, inwards and outwards, should find a place. In their origin these dues were simply the existing inland Native Customs levies, which at the time of the Treaty of Nanking were declared to be “upon a moderate scale.”† Later, owing to the growth of arbitrary provincial levies and mainly to the development of *likin*, they were, by the Treaty of Tientsin, fixed at the rate of one-half of the Treaty Tariff duties, or  $2\frac{1}{2}$  per cent *ad valorem*.‡ From their very inception these dues, and the malpractices and illegalities attendant on their levy, have been a source of constant friction between the central and the provincial governments and between China and the Treaty Powers. Into the causes of this friction it is not necessary here to inquire. Let it suffice to say that for many years past transit dues have been regarded as having failed in their primary purpose—that is, the complete protection of foreign goods proceeding inland and of native goods *en route* from the interior to a treaty port for shipment abroad—and have become in effect a clog on the movements of trade. No one, least of all those who are interested in the development of China’s foreign trade, should regret their disappearance from the scene. As the heading “Transit Dues” is to vanish entirely from our Revenue tables and returns from 1st January 1931, you are to see to it that any inward transit dues, assessed in 1930 but actually collected in 1931, are to be brought to account under the “Import Duty” heading, while any outward transit dues collected in 1931 on account of goods the outward transportation of which, under Sanlientan, commenced prior to the end of December 1930 are to be brought to account under the “Export Duty” heading. In both cases footnotes may be added to your January 1931 [B.—6] Report on Revenue Collection and Remittance, indicating the amount of inward and outward transit dues included in the import and export totals respectively.

\* *Vide* I.G. Cir. No. 4069, *antea*, vol. iv, p. 289; S/O Cir. No. 66, *antea*, vol. iv, p. 272.

† Declaration regarding Transit Dues signed at Hongkong, 26th June 1843: “Treaties, Conventions, etc., between China and Foreign States” (2nd Edition), vol. i, p. 357.

‡ British Treaty of Tientsin (1858), Art. XXVIII, and Rule 7 of the Rules of Trade (1858); “Treaties, Conventions, etc.,” vol. i, pp. 412, 426.

5.—The coast trade duty, or to describe it more accurately, the half-duty charged on importation at a treaty port on native goods which had paid full export duty on shipment from another treaty port, is also to become a thing of the past. This levy owed its origin to the rapid development during the decade 1850–60 of foreign-owned and foreign-manned coasting vessels engaged in the coastwise transport of native goods, a privilege which had been officially sanctioned in September 1847 by an exchange of notes between the Imperial Commissioner Keying and Sir John Davis, then Governor of Hongkong and Superintendent of British Trade.\* The demand for these foreign-owned coasters arose during the troubled times of the Taiping Rebellion, when brigands on land and pirates at sea preyed ruthlessly on China's domestic trade. The demand came mainly from Chinese merchants on account of the greater security and quicker despatch which these well-found coasting craft afforded as compared with junks. Their use, however, encroached upon the provincial revenues, as the native goods carried by these privileged coasters evaded payment of the various Native Customs and Likin charges *en route* between treaty ports, charges which they would have had to pay had they been junk-borne. It was to make good these losses and to equalise, as far as possible, duty treatment of native goods between foreign coaster and native junk that the coast trade duty was in 1861 devised and enforced.† The new levy soon acquired the status of treaty recognition, as countries entering into treaty relations with China after 1861, such as Denmark (1863), Spain (1864), Belgium (1865), Italy (1866), and Austria-Hungary (1869), took care to include a special coast trade duty article in their agreements. Like transit dues, the amount of this coast trade duty—which was, in effect, a coast and/or riverine transit due—was fixed at half of the tariff rate, or, in the case of *ad valorem* goods, at  $2\frac{1}{2}$  per cent. As "Coast Trade Duty" headings are likewise to disappear entirely from our Revenue tables and returns from 1st January, you are to note that any such duty collected in 1931 on account of goods declared prior to the end of December 1930 is to be brought to account under the "Export Duty" heading. A footnote may be added to your January 1931 [B.—6] Report on Revenue Collection and Remittance, indicating the amount of such duty included in the export total.

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\* *Postea*, vol. vi, p. 8. For detailed account of the origin and growth of the coasting trade in foreign vessels, and of the origin of the coast trade duty, *vide* Wright: "China's Struggle for Tariff Autonomy," pp. 185–197.

† *Vide* I.G. Cir. Nos. 2 and 7 of 1861, *antea*, vol. i, pp. 4, 5; N.C.H. No. 575, 3rd August 1861.

6.—The retention of the export duty on native goods when shipped from one treaty port to another and of the *intra-50-li* Native Customs levies is, from the point of view of a consistent taxation scheme, anomalous. It is, for instance, obvious that, with the retention of the inter-treaty-port export duty, native goods so consigned will be under a fiscal disability as compared with native goods going from a treaty port to an inland place or *vice versa* unless a new compensatory tax is introduced. It is also unusual to levy the same rate of export duty on native goods when moved from one treaty port to another as when the same goods are shipped abroad. For financial and other reasons, however, the Government has decided that for the present this inter-treaty-port export duty is to be retained. Its abolition, no doubt, will come in time. To do away with the *extra-50-li* Native Customs collectorates and to leave the *intra-50-li* establishments still functioning may seem inconsistent, but in regard to the latter it should be considered that the revenue from this source is definitely pledged by the Peace Protocol of 1901 for the service of the Boxer Indemnity. As time goes on these retained Native Customs offices will probably more and more assume the nature of branch offices of the Maritime Customs, charged with specific functions in a unified organisation controlling all the Customs operations of the nation. In this connexion I append copy of a telegram from the Kuan-wu Shu, from which you will see that, from 1st January 1931, foreign goods going inland from a port where there is an *intra-50-li* Native Customs establishment are to pay *intra-50-li* Native Customs duty according to the tariff in force.

7.—Finally, I may be permitted to point out that the step now decided upon by the Government of eliminating as many as possible of the internal taxes on trade is one of momentous and far-reaching importance. At the beginning we may expect misunderstanding, misrepresentation, delay, and opposition—what genuine reform anywhere ever has been carried through without evoking such? In the present case there are many vested interests at stake, and, this being so, it is improbable that all the internal taxes and fees levied on trade under the name of *likin*, or any other name, will vanish over-night. The provinces depend upon these taxes for a great deal of their revenue, while the collecting of them affords employment to hundreds of thousands of minor officials who assuredly will not be willing to see their means of livelihood taken from them without a struggle. That new taxes will have to be introduced to make up the revenue is obvious, and the Minister of Finance has already announced that such are being devised. The introduction of such new taxes, which are to be based not simply on the Government's



financial needs but also on what is necessary for the economic development of the country and which are to be regularised and collected according to fixed tariffs, need not occasion misgiving. Trade can adjust itself to reasonable taxation; but all illicit charges and irregular levies that unduly hamper trade are evils which ought to be eradicated. It is recognised, of course, that the Government has embarked upon a herculean task, which it conceives must be accomplished sooner or later if China is to take her rightful place among the great trading and industrial nations of the world. That the Government should call upon the Customs Administration to assist it in endeavouring to carry out this task is an honour to the Service, and one which, I am confident, will meet with a quick and willing response from every loyal servant of China!

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE.

財政部令第二四五三一號 中華民國十九年十二月十六日

## 令總稅務司

爲令遵事查民國二十年一月一日實行裁撤厘金及類似厘金之一切稅捐各省不得以何理由請求展期一案前經

中央執行委員會第三屆第四次全體會議議決並明令公布由行政院轉飭本部切實遵照辦理各在案現在爲期迫近亟應恪遵實施所有全國釐金及由釐金變名之統稅統捐專稅貨物稅鐵路貨捐郵包稅落地稅及正雜各稅捐中之含有釐金性質者又海關之五十里外常關稅及其他內地常關稅（陸路邊境所徵國境進出口稅除外）子口稅復進口稅等均應於本年十二月三十一日止一律永遠廢除須知釐金制度前當創辦本屬權宜迨後變本加厲更有類似釐金之各項雜稅苛捐層見疊出病國厲民貽誤中外寢成萬惡之藪政府爲實現革新政策解除民衆痛苦將此積年稅政根本剷除並遵奉

先總理遺教適應時勢需求另訂良好稅制與民更始期在必行該司應即依限迅速辦理結束具報自二十年一月一日起上列徵收機關名色絕對不得再行存在如有飾詞延宕巧立名目陽奉陰違自便私圖者是居心破壞黨國大計法律具在斷不寬假仰各凜遵並限令到日即將遵辦情形先行電復除通電全國一體周知外此令

關務署電第五六四號 中華民國十九年十二月二十七日

梅總稅務司鑒敬電悉所擬在五內常關保留期內對於進口洋貨照徵五內常稅一節應准照辦署長張  
感印

## CIRCULAR No. 4161 (SECOND SERIES).

**Likin, *extra-50-li* Native Customs, transit dues, and coast trade duty: abolition of; *extra-50-li* Native Customs establishments on coast to be administered by Maritime Customs; *intra-50-li* Native Customs duty not to be levied on foreign goods going inland; I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 15th January 1931.

SIR,

1.—With reference to Circular No. 4158:\*

Notifying you of the abolition of likin, *extra-50-li* Native Customs, transit dues, outwards and inwards, and coast trade duty from 1st January 1931:

I have now to inform you that subsequent telegraphic orders from the Government have modified the instructions of that Circular in two important respects.

2.—In the first place, the Government at the last moment decided that the administration of the *extra-50-li* Native Customs establishments functioning along the coast and at places where there is direct junk trade with abroad should be taken over on 1st January 1931 by the Maritime Customs. So short was the notice given of this decision that there was barely time to send out telegraphic instructions to the ports concerned before the advent of the New Year. The following is the text of the telegram sent on that occasion to the undermentioned ports: Antung, Newchwang, Chinwangtao, Tientsin, Chefoo, Kiaochow, Shanghai, Hangchow, Ningpo, Wenchow, Santuao, Foochow, Amoy, Swatow, Kowloon, Canton, Lappa, Kongmoon, Kiungchow, and Pakhoi:—

“Government now instruct that at coast places where direct junk-borne foreign trade is in existence the *extra-50-li* Native Customs establishments are from 1st January 1931 to be controlled by the Commissioner at nearest treaty port. You are therefore in consultation with the Superintendent to arrange accordingly for your district. Pending necessary adjustments you are to make no change in staff, but should depute experienced and capable member of Maritime Customs Chinese staff as supervisor to inspect and report on all stations which you cannot yourself visit. Duty is to

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\* *Antea*, vol. iv, p. 339.

be collected only on foreign imports and on native exports going abroad according to Maritime Customs Tariff. Collection rate in meantime may be fixed for suitable period in advance. Revenue collected on and after 1st January 1931 as above, less cost of collection, is to be recorded and remitted as foreign revenue. Continue to collect any fee in the nature of tonnage dues on foreign-going junks, but hold revenue from such source on deposit. In report called for by my previous telegram embody suggestions for future staff and other arrangements. In this new undertaking be guided by general principles enunciated in Circulars 968, 980, 983, 985, 986, and 993."

This telegram was subsequently amplified on the 8th January by the following message to the same ports:—

"My telegram of 31st December. If you have difficulty on account of inexperienced staff in apportioning *extra-50-li* revenue collection between old 5 per cent duties and additional duties, you may provisionally divide total collection in proportion of two-fifths for former and three-fifths for latter. Separate [B.—6] and [B.—8] reports are not required for these establishments, but *extra-50-li* figures included in these reports should be indicated by footnotes. Figures for gross collections should be shown in your receipt columns under "Foreign Revenue" and "Additional Duty" headings. Total cost of maintenance of stations is to be debited to these accounts under "Special Appropriations" in the above proportion of two to three. A summarised statement of such maintenance expenditure is to be appended to your monthly [B.—6] report."

On the 10th January further telegraphic instructions were issued as follows:—

"My telegram of 31st December concerning control of coast *extra-50-li* Native Customs establishments; only foreign-going junk trade allowed at new Maritime Customs stations. Foreign-going steam and motor vessels are not authorised to trade to such stations and should be seized, but such vessels under Inland Waters Steam Navigation Regulations are authorised to trade. Neither foreign nor native goods sent inland from such stations are liable to Native Customs duty."

3.—The second respect in which the instructions of Circular No. 4158 are modified is that the Government has now decided to revoke its former order that foreign imports going inland should be liable to the *intra-50-li* Native Customs duty. Telegraphic instructions were accordingly issued on the 8th January to all ports having *intra-50-li* Native Customs establishments that no Native Customs duty was to be charged on foreign goods when sent inland.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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CIRCULAR No. 4163 (SECOND SERIES).

**Customs Service Travelling Scholarships: revised regulations for, circulating; examination to be held each year in the spring; candidates' applications to be forwarded to Inspectorate before the end of previous year; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 17th January 1931.

SIR,

1.—With reference to Circular No. 3857,\* Second Series:

Customs Service Travelling Scholarships for Chinese  
Assistants and Clerks: institution of scheme notified;  
regulations and instructions communicated:

I append, for your information and guidance, copy of Kuan-wu Shu despatch No. 4164 together with a copy of the revised regulations, of which a translation in English is also appended.

2.—In Article 4 of the revised regulations it is laid down that candidates for scholarships who possess the qualifications mentioned in Article 3 shall each fill in an application, in duplicate, at the end of the year and submit it to his Commissioner, who will make his

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\* *Antea*, vol. iv, p. 163.

comments on it and forward it to the Inspectorate together with a medical certificate. The competitive examination will be held in spring of the next year as laid down in Article 1.

3.—You are therefore requested to act accordingly and place this Circular together with the revised regulations in your Order Book for the information of your Chinese In-door Staff.

4.—As regards the 1931 examination, you are requested to inform your Chinese In-door Staff that those who possess the necessary qualifications as required by Article 3 and who wish to enter for this year's examination are to fill in and submit to you at once an application, in English and Chinese, in duplicate (*vide pro forma* appended to Circular No. 3857), which should be forwarded under cover of a despatch to the Inspectorate before 1st March 1931 together with a medical certificate of each candidate and your report on each candidate's qualifications.

A *nil* report is required from the port where there is no candidate.

5.—The date of the 1931 examination will be notified to you later by a separate Circular or despatch.

6.—For subsequent years' examinations the applications should be forwarded to the Inspectorate before 31st December each year.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE No. 1.

財政部關務署訓令政字第四一六四號 中華民國二十年一月五日

令總稅務司梅樂和

爲令遵事本署前訂定之選派海關行政考察員簡章茲經加以修正除分令外合行鈔發修正章程全份令仰遵照此令

附鈔選派海關行政考察員章程全份

選派海關行政考察員章程

第一條 爲研究各國關政養成海關人材起見定於每年春季就海關本國幫辦及稅務員中考選四人派赴各國考察關政事宜名爲海關行政考察員

第二條 此項考試組織考試委員會辦理之以稅務專門學校校長一人與所聘教員三人及由總稅務司派員一人爲委員並以稅務專門學校校長爲委員會主席

第三條 與試考察員之資格應以海關本國幫辦及稅務員在海關服務五年以上並曾在稅務專門學校或其他大學畢業得有畢業證書而年齡在四十五歲以下具有強健之體格者爲合格

第四條 凡合於上條規定資格之本國幫辦及稅務員志願報考者應於每年年底填具報名書二份呈由所在關稅務司加具考語及檢驗體格證書彙送總稅務司署報考

第五條 總稅務司署收齊各關員報考書後應由銓敘科稅務司按各該員歷年成績報告書及各該關稅務司所具之考語詳加審核另具切實考語供考選時之參考

第六條 考試分爲筆試口試二種

筆試於每年四月間由考試委員會定期在各報考關員所在關舉行之

口試於考試委員會評定錄取後由關務署長定期舉行之

第七條 筆試科目 一、黨義 二、中英文 三、本國海關行政知識 四、商業地理 五、普通知識 六、

第二外國語 由考試委員會就上列各科目分別命題交總稅務司署轉發各關照所定日期同時由各該關稅務司監視考試完畢後即將試卷逕送考試委員會評閱

第八條 考試委員會於前項試卷繳齊時應即開會評定擇優錄取八名開列名單連同試卷呈報關務署由關務署長令總稅務司通知錄取各員定期口試

第九條 關務署長於錄取各員到齊後約同總稅務司舉行口試並參酌各該員在關服務之成績及品格核選四人分派各國考察

第十條 為便利海關調動人員起見定於每年十月為考察員出洋日期

第十一條 各考察員每年每人由關給予旅費五百鎊分四期發給并在考察期內所有各考察員在關之薪俸及待遇仍准照舊支領享受

第十二條 各考察員應於選定後填具志願書聲明前往某國悉心考察關政不得兼營其他業務如對於此項聲明有所違悞一經查出即行撤銷其資格及旅費

第十三條 考察員在各國考察以一年為期每三個月應由各考察員編具中英文報告各二份詳記考察之日程及考察心得寄由總稅務司以一份轉呈關務署長核閱

前項報告如關務署長或總稅務司認為該員在外并未專心研究考察者即行撤銷其資格及旅費

第十四條 各考察員回國後其考察成績優良者應即優予提升以示獎勵

第十五條 本章程如有未盡事宜得隨時修改之



## ENCLOSURE No. 2.

REGULATIONS GOVERNING APPOINTMENT OF  
CUSTOMS TRAVELLING SCHOLARS.

1.—With a view to affording opportunity for studying the Customs administrations of foreign countries and building up a staff of competent Customs employees, four men shall be chosen each spring, by a competitive examination open to Chinese Assistants and Clerks, and shall be sent to different foreign countries to study the various systems of Customs administration. The men thus chosen shall be called Chinese Customs Service Travelling Scholars.

2.—The examination shall be conducted by an Examination Board, to be composed of the President of the Customs College, three professors selected by him, and a representative of the Inspector General. The President of the College shall act as Chairman of the Board.

3.—Scholarships shall be tenable by Chinese Assistants and Clerks who have completed over five years' service, who are graduates of the Customs College or other colleges and hold the necessary diplomas, and who are under 45 years of age and in good health.

4.—Candidates for scholarships who possess the above-mentioned qualifications shall each fill in an application, in duplicate, at the end of the year and submit it to his Commissioner, who will make his comments on it and forward it to the Inspectorate together with a medical certificate.

5.—When all applications have been received at the Inspectorate, the Staff Secretary shall make a careful study of the candidates' past Confidential Reports and of the comments given by the Commissioners, and shall then make his own comments for reference when the winning candidates are selected.

6.—The examination shall consist of (1) a written and (2) an oral examination.

The written examination shall be held each year in April at the places where the candidates are stationed, on dates fixed by the Examination Board.

The oral examination shall be held on a date fixed by the Director General of the Kuan-wu Shu, after the successful candidates at the written examination have been selected by the Examination Board.

7.—The subjects of the written examination shall be—

- (1) Party doctrine.
- (2) Chinese and English composition.
- (3) Knowledge of Customs work.
- (4) Commercial geography.
- (5) General knowledge.
- (6) Second foreign language.

The Examination Board will set written tests for the above subjects and send them to the Inspector General for transmission to the Commissioners concerned. The examination shall be held simultaneously at all ports on the dates fixed under the supervision of the Commissioner. Candidates' papers shall be returned direct to the Examination Board.

8.—When the papers have all been received, the Examination Board shall at once hold a meeting at which the eight best candidates shall be selected. A list showing their names shall be submitted together with their papers to the Director General of the Kuan-wu Shu, who will instruct the Inspector General to notify the men selected of the date on which the oral examination is to be held.

9.—The oral examination will be held by the Director General of the Kuan-wu Shu and the Inspector General, who will select the four successful candidates, after scrutinising the candidates' past record in the Customs.

10.—Travelling Scholars shall proceed abroad in October in order to facilitate Customs Staff movements.

11.—Scholarships will amount to 500 pounds sterling a year, to be issued in four instalments, holders of scholarships continuing to receive their Customs pay and other benefits while they are conducting their investigations.

12.—Each successful candidate shall sign a declaration, stating the country to which he wishes to proceed and pledging himself to devote his time solely to the study of the country's Customs administration and not to take part in any other business. Any violation of this pledge will entail cancellation of the scholarship.

13.—The period of investigation shall be for one year. Holders of scholarships shall send to the Inspector General a quarterly report (in English and Chinese), in duplicate, giving a detailed account of their investigations and findings, one copy of which shall be forwarded to the Director General of the Kuan-wu Shu.

In the event of a report being considered by the Director General or the Inspector General to be so unsatisfactory as to show that no serious attempt at investigation has been made, the scholarship shall be cancelled.

14.—On their return to China, Travelling Scholars who have shown good results from their investigations will be given a special promotion as an encouragement.

15.—The above regulations are liable to alteration as circumstances may require.

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CIRCULAR No. 4166 (SECOND SERIES).

**Steam and motor vessels of less than 100 register tons: prohibited  
from engaging in direct trade between China and abroad;  
I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *27th January 1931.*

SIR,

1.—In order to be in a position to deal more effectively with smuggling operations carried on by small steam and motor vessels, mostly under foreign flag, which ply between foreign places—notably Formosa and Hongkong—and non-treaty ports on China's coast, the Executive Council, as you will see from the appended Chinese correspondence, has decided that in future no steam or motor vessel of less than 100 register tons is to be permitted to engage in direct trade between China and foreign places and that any vessel found violating this regulation is to be confiscated together with its cargo. Telegraphic instructions to this effect were sent to all coast ports on the 16th January, and Commissioners were enjoined to issue the necessary notifications in conjunction with the Superintendents.

2.—It is to be noted (1) that this prohibition, which is quite in line with similar prohibitions enforced by some other countries, does not refer to steam or motor vessels of less than 100 register tons which are engaged, under existing regulations, in coastwise, riverine,

or inland trade, provided that such vessels do not on any occasion proceed to or from a foreign country, and (2) that foreign-flag trawlers of less than 100 register tons are no longer to be permitted to enter Chinese ports either from abroad or from the open seas. Any such vessels now in Chinese ports may be cleared for abroad, but are not to be permitted to re-enter. This restriction, of course, does not apply to trawlers under the Chinese flag.

3.—As the steam and motor launch traffic, both with and without tows, between Hongkong and places in the Canton delta, and between Lappa and such places, has been for many years past on a special basis, and as the rigid enforcement of the above regulation would wipe out of existence a very large and highly developed trade, special representations on the subject were made to the Kuan-wu Shu, and, as the appended telegram indicates, the Shu at once issued instructions that steam and motor vessels of less than 100 tons register now plying between Hongkong or Macao and places in the Canton delta are to be allowed to continue on these runs, but that such vessels coming into Chinese waters from Hongkong or Macao must first call at Kowloon or Lappa stations for examination of goods and payment of duties and, similarly, that such vessels proceeding out of Chinese waters to Hongkong or Macao must report at these stations for all necessary Customs formalities.\* As the collecting of likin and chingfei at Kowloon and Lappa was abolished on 1st January this year, these stations are now, in effect, Maritime Customs stations. By calling, therefore, at these stations these steam and motor vessels, on coming from Hongkong or Macao, do not infringe the regulation which prohibits direct trade between foreign countries and places in China other than treaty ports.

I am, etc.,

F. W. MAZE,

*Inspector General.*

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\* For subsequent developments, *vide* I.G. Cir. Nos. 4207 (*postea*, vol. iv, p. 450) and 4391 (*postea*, vol. v).

## ENCLOSURE.

總稅務司呈 關務署文第一三四五號 中華民國十九年九月四日

呈爲呈請事竊據籌擬各關巡緝事務專員福貝士節略稱職現查得關於防止走私之事宜兩端謹爲鈞座縷晰陳之一查有多數在華貿易之輪船每在甲板上裝載貨物並有數家公司往往租賃輪船甲板地位用以裝載貨物竊以輪船在甲板裝貨匪特予奸商以走私之機會且於海關檢查輪船私貨亦有莫大之妨碍查測量輪船噸數以定應徵船鈔時甲板地位並不在內蓋因甲板並不裝貨之故現經遍查中國與各國所訂新約關於徵收船鈔一項並無若何之限制是中國徵收各輪船鈔本可完全自主現在各輪船既在甲板上裝帶貨物亟應設法限制以杜私運竊以最妙係定明凡在甲板裝貨之輪船除按註冊噸數徵收船鈔外其可以裝貨之甲板地位亦應徵收船鈔如此辦理不但私運可以減少卽船鈔亦可增收而一般航行沿海之輪船並增一層安全之保障緣此項輪船每在甲板上裝載貨物時有傾欹播蕩之虞設甲板裝貨亦徵船鈔則各輪或卽不在甲板裝貨似爲一舉數得之道二查目前輪船及電船由外洋私運貨物者日見增多亟應設法制止現考日本法律載有五百噸以下之輪船不准往外洋貿易之規定又英國法律亦載有一百噸以下之船隻不准貿易外洋之條文細釋此項法律原爲防止私運而定竊以中國法律亦應定明凡一百五十噸以下之輪船或電船不准於中國與外國各埠間往來裝運貨物按此項

規定對於正當商人之利益毫無妨碍惟對於船隻之專事走私營業者則予以莫大之束縛現在中國南部沿海一帶之快捷電船由外洋私運貨物偷入中國者日見其多如此後定明一百五十噸以下之電船不准往外洋貿易則此等專營走私之電船勢將無所施其伎倆從此沿海走私之弊或可易於杜絕所有以上兩項問題僅就管見所及備文呈請審核施行等情前來現經詳加酌度所有原節略內所陳各節均爲防止走私切要之圖似應如擬辦理以杜私運而維稅課理合備文呈請

鈞座請轉

政府按照所請定爲法令以便施行謹呈

財政部關務署長張

總稅務司呈 關務署文第一四三六號 中華民國十九年十月十六日

呈爲呈請事案查前據籌擬各關巡緝事務專員福貝士提議防止走私辦法兩端（一）請定明凡在甲板上裝貨之輪船除按註冊噸數徵收船鈔外其可以裝貨之甲板地位亦應徵收船鈔（二）請定明凡一百五十噸以下之輪船或電船不准於中外各埠間往來貿易等情業經備具第一三四五號文呈請轉呈政府請即明定法令以便施行在案迄今未奉

令復茲因中國南部沿海一帶行駛之快捷電船由外洋私運貨物來華者益見增多且多在沿海內地起卸貨物海關殊難制止竊以該專員提議之第二項辦法即禁止一百五十噸以下之輪船或電船往來外洋貿易尤非亟由

政府頒佈法令不足以取締電船走私事業而維國家稅收爲此擬請

鈞座再行轉請

政府先將此項提議核准即予訂爲法令公佈施行惟前呈所定一百五十噸之數如

政府以爲限制過寬亦可暫行定爲二百五十噸以下或五百噸以下俟將來察酌情形再行量子增減是否有當理合備文呈請

鑒核迅賜指令遵行謹呈

財政部關務署長張

財政部關務署訓令政字第四二三〇號 中華民國二十年一月十二日

令總稅務司梅樂和

爲令遵事查前據該總稅務司呈以本國南部沿海一帶行駛之快捷電船及輪船由外洋私運貨物偷入我國者近來日見增多請設法限制以維稅收等情茲經由部呈奉

行政院訓令核定凡一百噸以下之輪船或電船不准於本國與外國各埠間航行違者即將船貨扣留予以充公等因合行令仰遵照此令

I.G. ENGLISH TELEGRAM TO KUAN-WU SHU OF  
15TH JANUARY 1931.

Urgent: your Order No. 4230 disallowing vessels below 100 tons entering China from abroad: strongly suggest that this restriction should not be applied to tug-boats, otherwise towed lighter trade between Hongkong and Canton will suffer. Lighters all are over 100 tons. Immediate approval requested.

關務署電第六一〇號 中華民國二十年一月十五日

梅總稅務司覽電悉第四二三〇號訓令核定凡一百噸以下之輪船及電船不准於本國與外國各埠間航行所有拖輪 (tug-boats) 不在此項限制之內仰即遵照署長張咸印

財政部關務署指令政字第四二九八號 中華民國二十年一月二十二日

令總稅務司梅樂和

呈一件請核示凡屬一百噸以下之外國漁輪應否禁止駛入本國各埠由

呈悉所有一百噸以下之外國漁業輪船應一律禁止由公海駛入本國各口但本國漁輪不在此例仰即遵照此令



## CIRCULAR No. 4169 (SECOND SERIES).

**Cases of protest against Commissioner's decisions regarding classification and valuation of goods: change of procedure *in re* notifying; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 30th January 1931.

SIR,

With reference to the Import Tariff Provisional Rules, Rule I, § 5:

Stating, *inter alia*, with regard to cases of protest against a Commissioner's decision on questions of Tariff classification and valuation of goods, that "upon the filing of the protest the Commissioner shall, within fifteen days thereafter, review his decision, and, if the protest is not sustained, the case shall be referred to the Inspector General of Customs with the request that it be submitted to the Kuan-wu Shu for the consideration and decision of the Tariff Board of Inquiry and Appeal":\*

and to I.G. Circular No. 3975:

Notifying, in regard to the forwarding of such protest cases to the Inspectorate, the introduction of form [C.—106], which is to be sent in duplicate, giving full details of the case under cover of a despatch addressed to the Inspector General:

my attention has been called to the fact that, in several recent protest cases forwarded for reference to the Tariff Board of Inquiry and Appeal, both the Commissioner's decision on questions of classification and the grounds on which he has taken his stand on questions of valuation have been such that, had the cases been referred to me first, the question of their being treated as subjects of protest would not have arisen. In other words, cases are coming forward to the Tariff Board through the Inspectorate, the settlement of which is still within the competence of the Customs.

To restore the place of the Inspectorate as a second court of appeal—the Tariff Board of Inquiry and Appeal being the third and final court—and to relieve that Board of unnecessary work I am to

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\* For constitution and regulations of the Tariff Board of Inquiry and Appeal, *vide* I.G. Cir. No. 3944, *antea*, vol. iv, p. 209.

request you, when a protest is lodged, to report the case to me immediately by despatch, with full details, together with copies of all such available documents as will enable me to form an opinion. You will then be informed telegraphically what action you are to take: whether your decision is upheld and the protest is to go forward to the Board in the manner indicated in Circular No. 3975 or whether your decision is based on wrong premises.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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CIRCULAR No. 4170 (SECOND SERIES).

**Rolled tobacco: four-fifths of import duty on, to be collected by the Consolidated Tax Bureau; I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 31st January 1931.

SIR,

1.—The Tobacco Tax Bureau (捲菸稅局) was instituted by the Government at the close of 1928, and offices were then established in the six provinces of Kiangsu, Chekiang, Fukien, Anhwei, Kiangsi, and Shantung for the purpose of levying a special tax on imported tobacco in addition to the import duty and surtax collectable by the Customs and of levying also a special tax, or excise, on Chinese manufactured tobacco. On the introduction of the Import Tariff of 1929 on 1st February that year this special tax on imported cigars and cigarettes was fixed at 32½ per cent *ad valorem* and was to be collected by the Tobacco Tax Bureau, the Customs providing certain facilities. In the summer of last year (1930) the system was extended to Kwangtung province and to the Manchurian ports.

2.—When the revised Import Tariff of 1931 was put into force on 1st January this year it was at first intended that this special tax on rolled tobacco should form an integral part of the import duty

and be collected by the Customs. The rates on cigars and cigarettes were accordingly drawn on these lines, but to meet the emergencies of the situation created by the formation of a new taxing system—to take the place of the abolished likin and transit dues—it has been found advisable to revert to the former practice and to allocate part of the import duty as a special tax to be collected by the Consolidated Tax Bureau (統稅署).

3.—From the appended Ts'ai-chêng Pu despatch No. 25441 you will note that, beginning with 1st February this year, four-fifths of the import duty on cigars and cigarettes (Nos. 385 and 386 of the 1931 Import Tariff) are to be collected by the Consolidated Tax Bureau, while the remaining one-fifth is to be collected by the Customs. To assist the Bureau in its work you are to decline to release any imports of cigars and cigarettes unless the relevant documents bear the Bureau's seal certifying that the four-fifths of the import duty appertaining to the Bureau have been paid. In case the Bureau has no office at your port, you are, of course, to levy and bring to account the full import duty.

4.—In this connexion you are to be guided by the following instructions\* :—

(a) At ports where the Consolidated Tax Bureau is functioning and the Customs is therefore entitled to only one-fifth of the Tariff duties on cigars and cigarettes, the following Tariff rates will become operative:

| TARIFF NO.   | ONE-FIFTH.  | OLD 5 PER CENT. | ADDITIONAL. |
|--------------|-------------|-----------------|-------------|
|              | <u>G.U.</u> | <u>G.U.</u>     | <u>G.U.</u> |
| 385 (a)..... | 3.20        | 1.60            | 1.60        |
| „ (b).....   | 1.74        | 0.87            | 0.87        |
| „ (c).....   | 1.44        | 0.72            | 0.72        |
| „ (d).....   | 1.06        | 0.53            | 0.53        |
| „ (e).....   | 0.78        | 0.39            | 0.39        |
| „ (f).....   | 0.44        | 0.22            | 0.22        |
| „ (g).....   | 0.26        | 0.13            | 0.13        |
| 386 (a)..... | 13.00       | 6.50            | 6.50        |
| „ (b).....   | 4.80        | 2.40            | 2.40        |

As we are responsible and can account for only what we actually collect, only the one-fifth received by the Customs is to be recorded in Commissioners' Revenue Accounts by ports collecting such, but in

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\* For subsequent instructions, *vide* I.G. Cir. No. 4351, *postea*, vol. iv, p. 642.

order to enable me to furnish the Government with full particulars at any moment, I have to request port Commissioners to append a sub-statement to their monthly [B.—8] reports on the lines of the enclosed *pro forma* No. 1.

- (b) At ports where the Consolidated Tax Bureau is not functioning the full (five-fifths) Tariff rates will be collectable by the Customs as hitherto, and remittances to I.G. Foreign Revenue Account and I.G. Revenue Suspense Account are to be continued in the usual manner. In order to enable me, however, to adjust account matters at this end if called upon to do so, I have to request Commissioners at ports where the full (five-fifths) import duties on cigars and cigarettes are being levied to append a sub-statement to their monthly [B.—8] reports on the lines of the enclosed *pro forma* No. 2. It will be easily understood that accuracy in the matter of figures is in this instance of the utmost importance.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE

財政部訓令關字第二五四四一號 中華民國二十年一月二十日

令總稅務司梅樂和

爲令行事查進口一切捲菸應徵稅率業於新進口稅則內分別釐訂茲本部爲劃分稅項起見特予規定

自本年二月一日起所有上項捲菸稅五分之四應由統稅署經收凡持有統稅署已收五分之四稅項憑

證者各海關應即將五分之四稅項免予徵收合行令仰該總稅務司遵照此令

## CIRCULAR No. 4172 (SECOND SERIES).

**Smuggling: inauguration of Preventive Department and appointment of Mr. A. H. Forbes as Preventive Secretary, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 4th February 1931.

SIR,

With reference to Circular No. 3990:\*

Informing you that I had selected Mr. F. H. Bell to investigate and report on existing conditions along the various frontiers of China—particularly the Kowloon and Lappa frontiers—and to make a close examination of recent developments in the principal ports of entry from abroad, in order to devise measures to combat the organised smuggling which the introduction of the new Tariff would be sure to encourage:

to S/O Circular No. 61:†

Circulating for purpose of record certain official representations I had submitted to the Government in connexion with preventive work:

to S/O Circular No. 67:‡

Appending copy of Mr. F. H. Bell's report on his tour of investigation along the coast from Swatow to Foochow in the revenue steamer *Pingching*:

and to Circular No. 4083:§

Informing you that on Mr. F. H. Bell's appointment to Tientsin I had selected Mr. A. H. Forbes, Commissioner, to continue the work of investigation inaugurated by Mr. F. H. Bell:

I have now to inform you that, as a result of the investigations thus made, much useful knowledge has been gained; but the information has necessarily been limited owing to the vast area to be covered, comprising as it does every possible place where goods can be landed along the entire coast of China. In submitting my views to the Government, therefore, after outlining what had already been accomplished more particularly in the Kowloon and Canton areas,

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\* *Antea*, vol. iv, p. 244.

† *Antea*, vol. iv, p. 245.

‡ *Antea*, vol. iv, p. 277.

§ *Antea*, vol. iv, p. 295.

I expressed the opinion that it was desirable in the interests of revenue and trade to make much fuller investigations and, if necessary, place certain non-opened ports on the coast under control of the Maritime Customs. As this proposal fitted in with the Government's avowed intention to abolish all likin offices and *extra-50-li* Native Customs establishments, it readily fell in with my suggestion and, as you will see from the correspondence appended to this Circular, has agreed to the inauguration of a Preventive Department and approved the appointment of Mr. A. H. Forbes as Preventive Secretary.

This action of the Government in entrusting to the Service the control of the *extra-50-li* Native Customs establishments along the whole coast and in approving the appointment of a Preventive Secretary definitely marks a new stage in the extension of the activities of the Maritime Customs, and more especially of the development of our preventive work. Mr. Forbes will now not only investigate and report on smuggling activities along the coast and frontiers of China, but will also—in collaboration with the Commissioners concerned—work out, more especially for the coast, a comprehensive and clearly defined policy for the prevention of smuggling, a policy which is to state definitely (*a*) what former *extra-50-li* Native Customs stations should now be retained as Maritime Customs duty-collecting stations for the convenience of law-abiding foreign-going junks; (*b*) what stations it would be advisable to retain or re-establish as barriers for checking and observation purposes; (*c*) how many, and what type of, revenue launches and cruisers will be required to maintain an effective patrol of the coast for preventive purposes, on what ports this revenue patrol should be based, and what staff and equipment will be required for these vessels; and (*d*) any other measures that may be necessary for the prevention of clandestine trading between China and foreign countries.

While on the subject of preventive work I would draw attention to what may not have been apparent to some, namely, that certain Circulars recently issued, or about to be issued, such as that enclosing regulations for the guidance of officers in charge of revenue launches or cruisers when engaged in preventive operations; that dealing with the levy of tonnage dues on deck cargo; that prohibiting steam or motor vessels of less than 100 register tons from engaging in direct trade between China and abroad; and that enclosing the regulations governing the entry of vessels and the presentation of manifests and other ship's papers, are all part of a general forward-looking policy for dealing with smugglers and their organisations.

With a view to avoiding local misunderstanding the Government has also approved of my recommendation to request the Canton and Foochow provincial authorities to send delegates to accompany Mr. Forbes in order to explain the object of his visits to local officials at places along the coast, and thus obviate misunderstanding and help to smooth over difficulties which might otherwise arise.

Mr. Forbes will enter on his new duties immediately, and I have to request Commissioners to render him every assistance to enable him to complete his investigations with as little delay as possible; and such further instructions in this connexion as may be necessary will be communicated in subsequent Circulars.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE.

總稅務司呈 關務署文第一六九四號 中華民國二十年一月十五日

呈爲呈報事竊查關於籌擬防私辦法藉保稅收一事職於上年一年內已悉心擬具種種緝私計畫次第實施迭經呈報在案茲不憚煩瀆謹將職年來進行之各項事宜爲

鈞座縷晰陳之（一）華南各口原有海關巡輪五艘向係分隸粵海九龍拱北江門各關管理現經重新改組令歸九龍關稅務司完全節制以便集中管轄增加力量並已於各該巡輪上裝設無線電使可互通聲氣俾於一輪遇有何項困難時其他各輪可立即開往援助故在此區域內一切緝私設施較前此完備緝私成績立屬可觀按九龍關從前每結緝獲私貨之價值不過僅及關平銀七千兩今則驟增至關平銀四萬兩之鉅其效率不可謂爲不大不過因香港爲自由口岸區域廣大欲施行有十分效力之防止走私辦法實不易辦到設使職於去年十月間與香港總督最後商定之香港協定草案能蒙

政府批准則緝私計畫自易施行於海關稅收尤有保障緣該項香港協定草案對於中國有利益之條件極多尤於中國海關在香港界內之權力能賴以愈臻鞏固不料因廣東當局有所誤解致該協定迄今尙未成立在海關勢非於港澳區內另籌擴大範圍之防私辦法實不足以杜絕偷漏維護稅收而另擬擴大緝私辦法需款浩繁恐

政府未必允撥鉅款辦理關於此事前已具第一五七八號呈文呈請

鑒核在案竊思香港一埠爲我國進出口貿易之重要關鍵如欲防止私運實以能在香港界內執行關務以資控制爲惟一根本要圖今幸香港政府已允給予中國此項權利在中國政府可無需耗費鉅額緝私經費即能收防私保稅之效故職仍甚盼廣東當局將其反對訂立香港協定之議自行撤消俾得廣續進行及早解決(一)自政府明令裁撤五外常關以後職曾迭奉

鈞署電令派員調查粵閩浙等省邊界海口以憑添設海關分關並將向有直接貿易各海口由就近海關稅務司派員接收管理各等因並已具第一六八一號呈文將辦理情形呈報亦在案竊以在海關方面如於此等與外洋有直接貿易之各重要內地有相當之管轄權則將來對於緝私事宜自屬易於措辦於管理上亦當愈臻周密現在各該省海關稅務司正在趕速竭力辦理諒不久必可擬具具體辦法呈候

裁奪至北方各口陸邊走私情形職亦甚爲注意並已派員從事考察得悉種種走私方法以現行設施而論除業於各重要地方設置武裝巡緝隊嚴加防範作爲第一步辦法並有數處邊境已商准日本方面竭誠協助當於海關稅收多所保障外尚有應行辦理之各項事宜職正在詳細考慮並擬令上年派往東南沿海一帶實地考察之稅務司福貝士於考查閩粵邊境走私情形後再往北方各口會同各該關稅務司對於陸路邊境情形詳加勘察並呈擬緝私計畫以憑實施(三)查同一貨物其貨色有高下之分即稅率有輕重之別在海關於徵收進出口稅項時欲求保護稅收不使受損首在驗估準確分類適宜並須將商人呈遞之發票詳加考核勿令朦混庶幾所徵稅款能臻平允故對於多數重要口岸如大連天津青島上海汕頭廣東等口之貨物估價分類及詳查發票並驗

船等問題職曾特別加以注意並設法爲之改良不敢稍涉疏懈近已在大連安東天津青島漢口汕頭廣東等口按照滬關辦法成立驗估處辦理尙有成效惟其中尙有一層困難之點卽欲將上述各大埠驗估事宜辦理完善非添募足數應用具有經驗之洋員不可而欲得具有此項經驗之洋員值此金貴銀賤匯價低落之際誠恐無人應募職以此事關係稅收極爲鉅大已經詳加考慮如欲解決此項問題似須將關員薪俸以一部分按海關金單位發給方爲有濟(四)對於本國與外洋各埠間往來貿易之輪船或電船限制噸位一事按照職之意見似宜暫以二百五十噸爲標準方爲妥適惟現既奉

鈞署訓令規定祇禁止一百噸以下之輪船或電船在本國與外國各埠間貿易職自當遵照辦理竊以此項規定雖屬未免過寬但就海關管理而論究與從前之漫無限制者不可同日而語大約經此取締以後將來專以小輪船或電船走私爲業者自當較爲減少(五)關於台灣與中國東南沿海各埠間之直接貿易狀況及走私情形職現已呈奉

鈞署核准令派署副稅務司夏廷耀前往台灣將其對華正當及非正當各種直接貿易實地詳細調查具報該員現於本月十三日業由滬起程前往一俟調查完竣卽可據其報告擬具防私辦法以杜偷漏而維稅收此於海關緝私方面洵屬極有裨益所有陳明職年來進行各項緝私事宜緣由理合備文呈報伏乞

鈞署鑒核謹呈

財政部關務署長張

總稅務司呈 關務署文第一六九五號 中華民國二十年一月十六日

呈爲呈請事案查關於籌擬緝私種種設施及一切進行計劃業於本月十五日備具第一六九四號呈文呈報

鑒核在案竊以際此稅率增高之時一切緝私設施實與關稅收入有莫大之關係並須派專員管理以專責成茲擬於職署另設緝私一科主管一切緝私事宜並以前任職署總務科額外稅務司兼金陵關稅務司之福貝士英國人充任俾該員得以殫精竭慮籌辦一切以杜偷漏而保稅課擬請

鈞座俯如所請以便施行所有擬設緝私一科及擬派福貝士充任該科稅務司各緣由是否有當理合備文呈請鑒察指令祇遵謹呈

財政部關務署長張

財政部關務署令政字第四二八二號 中華民國二十年一月二十日

令總稅務司梅樂和

呈一件呈爲該署擬設緝私一科并派福貝士爲該科稅務司是否有當請鑒察令遵由

呈悉所請添設緝私科並派福貝士爲該科稅務司各節事屬可行應予照准此令

## CIRCULAR No. 4177 (SECOND SERIES).

**Lisbon Conference on Unification of Buoyage and Lighting of Coasts,  
1930: report *in re*, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 11th February 1931.

SIR,

In continuation of Circular No. 4114, stating that the League of Nations had invited the Chinese Government to send representatives to a Conference on the Unification of Buoyage and Lighting of Coasts and that I had been instructed to arrange accordingly, I have now to inform you that the Conference in question duly met in Lisbon and lasted from the 6th to the 24th October 1930. General agreement was reached on the following matters:—

Storm Warning Signals;  
Tide and Depth Signals;  
Signals concerning the Movements of Vessels at the  
Entrances to Harbours or Important Channels;  
Signals for Manned Lightships not on their Stations;  
Lighthouse Characteristics and Radio Beacons;

and regulations and recommendations to govern these signals were drawn up.

As conformity on the part of China to these regulations would involve her in only minor outlay, while the advantages to be gained by uniformity are very considerable, I have advised the Chinese Government to signify its adoption of the above regulations as set forth in the official Agreements.

The Conference was not unanimous on the question of buoyage and the allocation to port and starboard hands of the shapes, colours, and lights of buoys used in marking channels and estuaries, and when further progress towards a definite understanding on this subject appeared impossible the sittings were suspended. On suspension of the sittings, however, the majority of the European continental countries issued a declaration that they could arrange agreement among themselves without difficulty then and there and that, unless a scheme for ensuring world-wide uniformity were drawn up and generally adopted in the very near future, they would hold themselves free to arrange regional agreement.

In order to obviate developments which would render world-wide uniformity of buoyage, etc., difficult, the League of Nations proposes to submit to all the countries concerned revised proposals designed to overcome the difficulties which emerged at the Conference, and, this being so, it is probable that another Conference will be convened in order again to endeavour to secure general adoption of such revised proposals.

Two important points, it should be noted, were agreed upon at the Conference, the first being that the changes which would be involved in giving effect to regulations for obtaining uniformity as regards buoyage and other major matters may be spread over a considerable period of years, and the second being that deviation from uniformity of procedure would be permissible in special cases or conditions, such deviation being, if possible, restricted and duly notified. These concessions would, of course, render it easier for China and other nations to adopt a scheme for uniformity with regard to buoyage.

I append for record a copy of the Engineer-in-Chief's interesting report on the subject, which, you will observe, has been endorsed by the Deputy Coast Inspector; the appendices, however, have been omitted with the exception of Appendix No. 14 (see Sub-Enclosure to Enclosure No. 1),\* which contains the final Agreements arrived at by the Conference.

In conclusion, it is satisfactory to note that China, through her delegates, assumed considerable prominence at the Conference, securing the adoption, with a few minor modifications, of the China coast system of tide and depth signals, and obtaining, among other points, the deletion of the proposal to make the characteristics of fog signals accord with those of the lights with which they are associated.

A copy of the relative Chinese correspondence is also appended.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* Not printed.

## ENCLOSURE.

財政部關務署令政字第四三二〇號 中華民國二十年一月二十四日

令總稅務司梅樂和

爲令行事查一九三零年十月間在葡京舉行之統一海上浮標燈塔會議曾經本署飭由該署遴派關員司徒達及卡乃爾代表出席在案所有會議情形尙未據報到署茲准外交部函准國際聯合會秘書長函送該會議通過之協定兩種（一）航海符號之協定（二）離開所駐地燈船之協定并聲明凡預會及被請參加之各國政府對於該兩項協定在本年四月三十日以前均可簽字相應咨請查核辦理等因查該兩項協定所列各事項我國是否亦宜一致採用施行有無窒碍合行抄發國聯會秘書長來函并檢發該兩項協定印本令仰該總稅務司遵照督同前派出席委員切實研究詳細籌議具復以憑核辦印本仍繳還此令

總稅務司呈 關務署文第一八〇一號 中華民國二十年二月十七日

呈爲呈復事案查關於遵令遴派人員前赴葡京里斯本出席統一海岸浮標燈塔會議一事會奉

核准派遣總工程師司徒達海務副巡工司卡乃爾代表中國政府前往出席與議在案嗣該代表等返國後經總工程師司徒達將此次參預會議情形擬具報告書送請鑒核前來正悉心核議間奉到

鈞署政字第四三二〇號訓令內開茲准外交部函照錄原文等因計附發各件奉此遵即督同該代表等將關於此次會議通過之協定我國應否採用及將來世界浮標統一各問題詳加討論茲謹爲

鈞座縷晰陳之查該會係由國際聯合會召集於民國十九年十月六日開會直至是月二十四日方行散會此次會議對於（一）航海信號（風雨信號潮水暨水深度信號港口暨重要水道行船信號）（二）離開所駐地燈船使用信號（三）燈塔所用標號暨無綫電標樁等均立有協定並擬具各項規章及建議等當會議時我國代表曾將我國之特殊情形及需要提出討論是以最後協定對於我國一切利益並無妨害之處而我國代表對於信號所提議各項又經大會議決通過其最關重要者厥有二端一係將該會前所擬議凡霧天信號所用標號應與接連之燈塔所用標號相符一節取消緣此項擬議如我國政府採用施行則所費異常浩繁一係使我國潮水暨水深度信號制度除小部份須加變更外其餘均經該會通過承認故此大我國對於該會訂立各項信號協定內載之規章如從事採用當不致有重大困難我國現有之信號制度僅小部份須加更改所費既屬無多而國際信號統



一又係當務之急是以職意以爲

政府對於該國際聯合會所擬具之規章及各項最後協定應按照該協定所載或在本年四月三十日以前簽字或於是日以後追加承認其該會第三第四兩種協定因對於我國並無切要關係業由該代表等在葡京時簽字現在須由政府承認者僅第一第二兩種協定至關於統一浮標及規定河流內浮標左右之形狀顏色及燈光等項此次會議並未能訂立協定但於此種問題業已詳加討論各國所有困難之點均已研究明悉嗣後如須擬定規章自屬易易而預計所定規章亦必能免除一切困難適合各國之用當此次會議閉幕時歐洲各國曾宣言彼等爲謀統一浮標起見雖有重大犧牲亦所不惜今於此項問題未能簽立協定彼等不負其責倘嗣後於最近期間世界浮標統一仍屬不能實現則彼等將籌擬全歐浮標統一計畫云云但各國代表咸以爲此種擬議如成事實殊屬不幸將來不獨使世界浮標統一計畫更難辦到且對於訂立各項航行協定尤多障礙國際聯合會有鑒於此乃對於此項統一世界浮標問題迅速擬具各項建議俾便解決一切困難並擬於最近期間重行召集會議加以決定屆時自必邀請我國政府派員參加俾會議時可以維護我國一切利益並幫同各國擬定章程惟世界浮標統一計畫如果實現則各國現有一切浮標設施均須變更費用既繁困難尤多是以此次會議時各國爲謀

採用此種制度便利起見曾有兩項重要規定其一係所有變更可在一預定期內逐漸施行以期費用可以分期支出俾國家負擔不覺過重其二如遇有特殊情形時可不必拘守統一浮標章程惟背離章程之處總以愈少愈妙且須佈告週知依上述情形觀之將來重開會議時關於世界浮標統一問題必有規章通過如所定規章對於我國所有利益並無妨害之處而又經世界其他各國採用則我國政府因航行及政策兩方關係自亦宜急需採用且各種變更既可分期實行所需費用亦可分期担負自不致感覺困難再者將來開會擬定此項浮標統一規章時我國所有一切利益亟應加以維護而所擬定之規章對於我國揚子江及其他河流內所設浮標有無影響之處亦應詳加考慮是以重開會議時我國仍應遴派專門人員前往參加討論所有遵令籌議統一海上浮標燈塔會議所通過之信號協定我國似應一致採用及對於浮標統一問題敬抒管見各緣由是否有當理合檢同奉發協定印本一件及出席代表總工程師報告書一份備文呈請

鑒核謹呈

財政部關務署長張

附繳協定印本一件呈送報告書一份

## CIRCULAR No. 4179 (SECOND SERIES).

**Manifests: regulations for the entry of vessels and the presentation of manifests and other ships' papers; I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 17th February 1931.

SIR,

1.—The subject of manifests is one which in the early days of the Customs Service caused no little discussion. The late Mr. H. N. Lay is witness that when he was Inspector of Customs at Shanghai in the fifties of last century it was no unusual thing for shipowners and shipping agents to "send in manifests made out after the following fashion: 'Name of vessel, (550) pkgs.;" the different consignees not being named nor the contents of the packages given, in fact without any particulars."\* The early treaties, while calling for the presentation of a manifest within a specified time after the arrival of the vessel concerned, made no attempt to define clearly and unequivocally the nature of this document. This failure was to some extent rectified by the British Treaty of Tientsin, which defined the term as "a full and true account of the particulars of the cargo on board."† The American and the French Treaties of Tientsin, however, continued, in this respect, to retain the vague wording of the earlier treaties, the former speaking of "a true report . . . of the nature of her cargo"‡ and the latter of "la nature de son chargement."§ The unsatisfactory nature of this description of a manifest is obvious. In fact, its unsatisfactoriness was such that Mr. Ward, the American Plenipotentiary, by whom the treaty ratifications were exchanged, felt himself obliged to state in a letter to the U.S. Consul at Canton, written in December 1859, that by the expression "nature of the cargo" he understood "such description as will enable the Custom House officials to regulate their conduct in affixing the duties, and, for this purpose, as full and ample a description as the captain is able to give, should be given."|| Even with this more explicit statement, and in spite of the penalty imposable by treaty for a false manifest, there still remained so much room for difference of opinion

\* *Vide* B.P.P., "Further Papers relating to the Rebellion in China," 1863, p. 176, *postea*, vol. vi, p. 116.

† British Treaty of Tientsin, 1858, Art. XXXVII, "Treaties, Conventions, etc." (2nd Edition), vol. i, p. 415.

‡ American Treaty of Tientsin, 1858, Art. XIX, "Treaties, Conventions, etc." (2nd Edition), vol. i, p. 721.

§ French Treaty of Tientsin, 1858, Art. XVII, "Treaties, Conventions, etc." (2nd Edition), vol. i, p. 823.

|| *Vide* I.G. Cir. No. 10 of 1867, *antea*, vol. i, pp. 76-80.

as to what really constituted a manifest that advantage could easily be taken, and was taken, of this indefiniteness to attempt evasions and practise frauds on the revenue. It was, for instance, claimed that duty-free goods, by virtue of being duty free, need not be manifested, and as merchants and others had liberal ideas of what was, or in their opinion should be, duty free and were accustomed to take delivery of such goods without application to the Customs, it was inevitable that there should be clashes on this score between the Customs and the public. This point was finally settled in the spring of 1867 when the foreign Ministers at Peking agreed to the rule, proposed by the Tsungli Yamên, that duty-free goods, whether imported or exported, are to be duly manifested and are not to be shipped or discharged without the proper Permits.\*

2.—Notwithstanding the disability imposed on the Customs by the fact that a fine for presentation of a false manifest, being a treaty-stipulated penalty, could be imposed only with the consent of the Consular authorities concerned, the Customs, in defence of revenue interests, was on several occasions obliged during the sixties and the seventies of last century to institute proceedings for the enforcement of a fine for this offence.† These cases helped considerably to clarify the meaning of the term "false manifest," and thus afforded the Government the opportunity of making more definite in subsequent treaties and regulations what a manifest was required to be. Thus, in the Special Stipulations appended to the Supplementary Convention with Germany, the ratifications of which were exchanged on 17th September 1881, a clause was inserted (No. 3) to the effect that "If any goods found on board a German ship for the discharge whereof a written permit from the Customs Office is required are not entered in the manifest, this shall be taken as a proof of a false manifest, no matter whether a certificate of the reception of such goods on board—*i.e.*, a bill of lading,—bearing the captain's signature, be produced or not."‡ Again, in the year following, 1882, Rule 5 of the Tonnage Dues Regulations, issued in December of that year, widened the scope of a manifest by stipulating that both inward and outward manifests were in future to contain full details regarding bullion, foreign coins, and passengers carried.§ Still later, it was decided by an Inspector General's ruling that, in order to give the Customs adequate control of what is landed, what

\* *Vide* I.G. Cir. No. 4 of 1867, *antea*, vol. i, pp. 72-75.

† I.G. Cir. Nos. 247 and 290. Customs publications: Office Series, No. 10.—"Foochow: 'Taiwan' False Manifest Case"; and No. 17.—"Joint Investigation in Customs Cases."

‡ I.G. Cir. No. 158. "Treaties, Conventions, etc., between China and Foreign States" (2nd Edition), vol. ii, p. 202.

§ I.G. Cir. No. 203, *antea*, vol. i, pp. 427-436.

has been permitted to leave a ship and what has not, and to prevent smuggling, the Customs must be fully informed of everything a vessel is carrying as legitimate cargo; in other words, that even through cargo must be entered on the manifest.\*

3.—The signing recently of the various Tariff Autonomy and Tariff Relations Treaties affords China the opportunity of declaring what she considers is demanded in this matter of ships' manifests by the new conditions arising from these treaties, more particularly by the introduction of higher rates of import duty, with consequent increase in smuggling and frauds on revenue. I accordingly drew the attention of the Kuan-wu Shu to the matter, submitting at the same time draft of a set of regulations to govern the entry of vessels and the presentation of manifests, and, as you will see from the appended copy of Kuan-wu Shu despatch No. 4347, the Government has approved of these regulations and ordered that they are to be put into force for a trial period as from 1st February this year. You are to notice that instructions to this effect have already been issued to the Superintendents concerned.

I have accordingly to instruct you (1) to make a careful study of these regulations and to note that they do not simply confirm present practice, but also very considerably extend the scope of a manifest (Articles 2, 9, and 10); call for the possession of a manifest by every merchant vessel navigating within Chinese territorial waters (Article 1); stipulate that manifests and other ships' papers are, within 24 hours of the arrival of a vessel, to be presented by the master direct to the Customs, but that Consular Arrival Reports may continue to be accepted in place of ships' papers in the case of those foreign vessels whose national authorities permit Chinese Consular officers to have the custody of the papers of Chinese vessels entering the ports of such nations (Articles 3 and 8); provide much-needed safeguards in the matter of the correction of manifests (Article 5); and strengthen very considerably the hands of the Customs in dealing with unmanifested cargo (Article 6) and with merchandise manifested but not on vessel (Article 7); (2) to issue conjointly with the Superintendent a notification to the public embodying these regulations; and (3) to report to me in January next year in detail on the working of these regulations for the period 1st February to 31st December 1931.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* I.G. Cirs. Nos. 1734 (B, No. 206) and 2970.

## CIRCULAR No. 4183 (SECOND SERIES).

Flag for Customs use: new form of, prescribed; history of  
Customs jack.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 20th February 1931.

SIR,

1.—The first flag authorised for use on Customs cruisers and floating property was the familiar rectangular green one with the diagonal yellow cross (I.G. Circular No. 5 of 1867). This flag, it is interesting to recall, had its origin in a proposal made by Mr. H. N. Lay, the first Inspector General, when on leave in England in 1861–2. As will be remembered, Mr. Lay was at that time engaged in purchasing a fleet of cruisers for the use of the Chinese Government, and as China at the time of the purchase negotiations had no national flag, and as it was necessary that these vessels, after being purchased by China, should on the voyage out fly a distinctive ensign in order to avoid risk of capture or detention, Mr. Lay made the suggestion that that ensign should be a yellow diagonal cross on a green ground.\* The British Naval authorities, however, declined to recognise this ensign until its adoption had been approved by the Chinese authorities at Peking, and to secure this approval Lord Russell, then Secretary of State for Foreign Affairs, wrote to Sir Frederick Bruce instructing him to inquire of Prince Kung whether the Chinese Government would sanction the adoption of the flag in question. This led the Imperial authorities at Peking to decide that the national flag of China should be a triangular one, the ground to be yellow and the design to be a dragon with its head towards the upper part of the flag. In October 1862 an Imperial Edict was issued to this effect,† and Mr. Lay was instructed that the flag to be flown on the cruisers he had purchased for China was to be a green ground with a yellow diagonal cross, bearing in the centre a yellow triangle with an Imperial blue dragon.‡ Under this ensign the Sherard Osborn flotilla, which Mr. Lay had recruited, came out to China, and as this flotilla was sent home again shortly after its arrival, its flag naturally disappeared with it. The memory of it, however, remained, and so, when four years later

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\* B.P.P., China No. 2 (1864), pp. 1 and 2.

† B.P.P., China No. 3 (1864), p. 42.

‡ B.P.P., China No. 2 (1864), p. 4.

(1867) a distinctive emblem was required to mark Customs cruisers and floating property, it was natural that the green flag with its yellow St. Andrew's cross should once more be revived.\*

2.—Up till the spring of 1873 this green flag with the yellow cross was flown on Customs cruisers and floating property, and thus came to be widely known as a distinctive Customs emblem. In that year a change was made, and orders were issued that the use of this flag was to be discontinued and its place taken by the dragon ensign—a triangular yellow flag with a red sun and a blue Imperial dragon.† In 1889 this triangular flag was discarded and its place taken by a rectangular one of the same colour and bearing the same design.‡ After the proclamation of the Republic in February 1912 the picturesque dragon flag as a national emblem was abolished and the five-barred Republican flag, with its horizontal bars of red, yellow, blue, white, and black, proclaimed to be the national flag.§ In December of that year the Government, on the Inspector General's representations, decided that a distinctive flag should be flown by Customs cruisers, and thus the old green flag with the yellow diagonal cross came officially to its own again, this time as a jack in the upper canton of the Republican five-barred flag.|| This official recognition of the Customs jack was of considerable value during the disturbed years 1927 and 1928, as it served to distinguish and protect Customs property in areas where the five-barred Republican flag could no longer be exhibited. The ultimate victory of the Nationalist forces led to the introduction of the present national flag—red ground with a blue jack in the upper canton, the jack bearing in its centre a white sun with 12 white rays based on a blue ring encircling the sun. On my recommendation it was agreed that, in order to establish the identity of Customs craft, etc., a distinctive device on the national emblem should be allowed. This device took the shape of a circle with green ground and yellow diagonal cross placed in the fly of the national emblem.¶

3.—From the appended copy of Kuan-wu Shu despatch No. 4449 you will see that the Government has now decided that this latter flag for Customs purposes is to be discarded, and its place is to be taken by the national flag with four wavy green bands running across the red ground in the manner and in the proportions

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\* I.G. Cir. No. 5 of 1867, *antea*, vol. i, p. 76.

† I.G. Cir. No. 5 of 1873 and No. 48 of 1875, *antea*, vol. i, pp. 350–359.

‡ I.G. Cir. No. 459, Second Series.

§ I.G. Cir. No. 1881, *antea*, vol. iii, pp. 57–61.

|| I.G. Cir. No. 1974.

¶ I.G. Cir. No. 3848.

shown on the accompanying sketch (Enclosure No. 2). You are accordingly, as soon as convenient, to replace present flags with those of the newly authorised design and to fly such in future on all Customs vessels and Customs floating property. As, however, the Customs green jack with the yellow diagonal cross has been consistently flown at the bow in our cruisers and launches, even during the period when the dragon flag was prescribed for use on Customs boats, and as there is nothing in the Government's present instructions forbidding such use of the Customs jack, you may continue to fly at the bow the traditional green and yellow jack which has had so long and so honourable an association with the Customs Service.

4.—For purposes of reference I append also coloured reproductions of the various flags authorised by the Government for the use of certain highly placed officials and of the various Government Departments whose work necessitates the use of distinctive emblems.

I am, etc.,

F. W. MAZE,  
*Inspector General.*



ENCLOSURE No. 1.  

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財政部關務署指令政字第四四九號 中華民國二十年二月十日

令總稅務司梅樂和

呈一件爲前請暫勿更換海關旗幟一案究應如何辦理祈迅賜示遵由

呈悉查此項旗幟式樣係奉

國府明令公布未便輕議變更所請應毋庸議此令

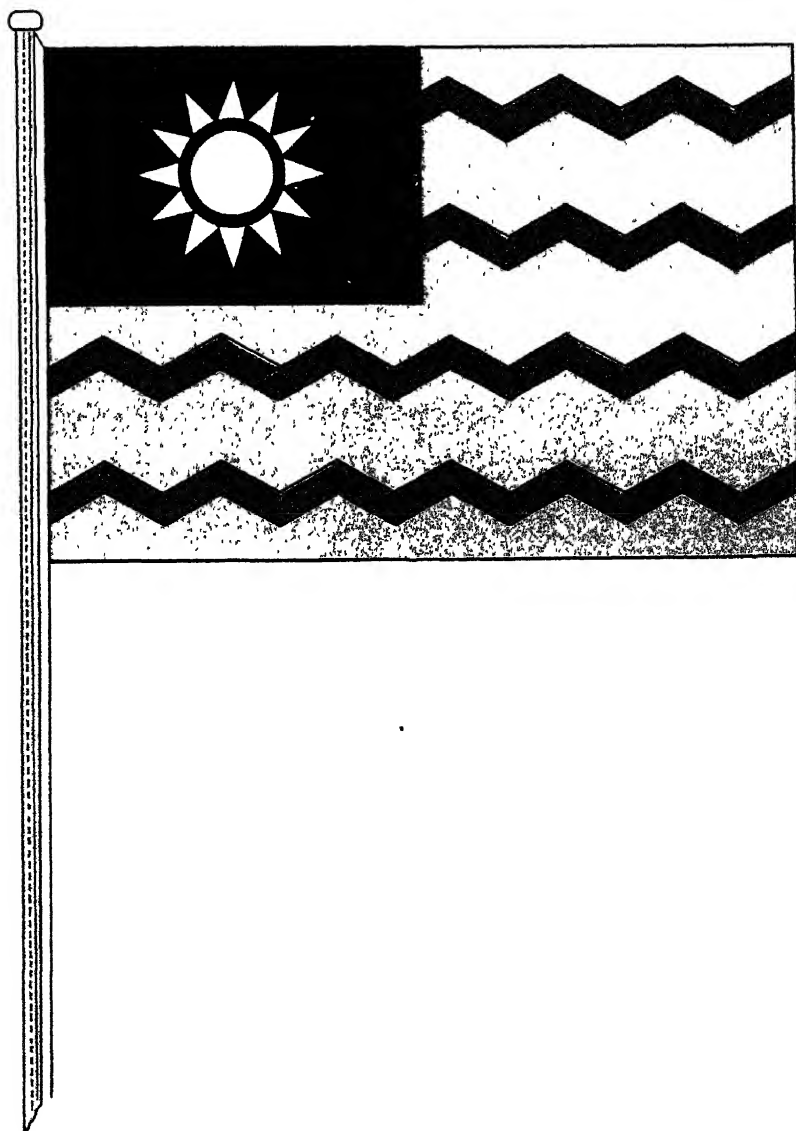




ENCLOSURE No. 2.

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CUSTOMS FLAG.





## SEMI-OFFICIAL CIRCULAR No. 71.

Early archives: to be looked through and sorted out in connexion with centennial survey of China's foreign trade and history of lights; I.G.'s instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 30th January 1931.

SIR,

With reference to Circular No. 4133, section 3, final paragraph:\*

Intimating that the forthcoming Decennial Report is to be prefaced by a survey of China's foreign trade during the past hundred years, for the compilation of which a member of the Service will be specially detached:

I have now to inform you that I have selected Mr. T. R. Banister,† Deputy Commissioner, for this work. In addition to the above, I have also instructed this gentleman to write a short historical and descriptive review of the coast and riverine lights of China.

As the Inspectorate archives prior to 1900 were destroyed during the Boxer troubles, our own Customs records of the early years consist of what is available at the ports. I have accordingly to ask you to look exhaustively through your archives and to have sorted out, so as to be ready at hand for reference, any records which might on perusal furnish material for the purposes in view. What I would request you to look for among your old archives are not necessarily despatches, but collections and copies of letters to or

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\* *Antea*, vol. iv, p. 308.

† Thomas Roger Banister was born on the 8th February 1890 at Preston, Lancashire, England, and was educated at Trent College and at St. John's College, Cambridge, where he graduated with Honours in the Economic Tripos. He joined the Customs Service in December 1913 and, after four months at Canton, was appointed to Peking to study the language. During 1916 and 1917 he was stationed at Chefoo, and after that at Shanghai, where the greater part of his Service career has been spent. He was promoted Deputy Commissioner in 1930 and Commissioner in April 1935. In 1932 he was appointed Acting Commissioner at Kiungchow for six months. He held the post of Audit Secretary from October 1934 to April 1938 and was then transferred as Commissioner to Lappa. During 1931 and 1932 he was on special duty at the Inspectorate writing his survey of China's trade during 100 years, entitled "A History of the External Trade of China, 1834-81," and "Synopsis of the External Trade of China, 1882-1931," both of which appeared as an introduction to the Decennial Reports, 1922-31. During those two years Mr. Banister also wrote his well-known and interesting account of China's Lights Service under the title "The Coastwise Lights of China," a beautifully illustrated work which tells in vivid language and with a wealth of detail the romantic story of the lighting of China's coast and rivers.

from merchants, Consuls, and other Commissioners, bound volumes of local newspapers or gazettes, copies of public notices, especially those to mariners, collections of reports on district occurrences, etc., or any such material which would throw light on early conditions at your port, particularly anything which bears on the first attempts to provide aids to navigation in the district.

It will be impossible, in the short time available, for Mr. Banister to visit all the ports and study the archives everywhere. In the course of research, special points will arise and particular and precise information be required. I have accordingly authorised Mr. Banister to call upon you for assistance when needed, and I should be obliged if you would give him the best help you can, if it becomes necessary to search your archives.

It is my intention in these compilations to put on record the very varied part played by the Chinese Maritime Customs in the commercial history and trade development of modern China, and I feel sure that such a project will enlist the full co-operation of all members of our Service.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## SEMI-OFFICIAL CIRCULAR No. 72.

Tientsin Customs: I.G.'s observations on seizure of;  
Mr. F. H. Bell's report, etc.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 13th March 1931.

SIR,

1.—With reference to my S/O Circular No. 69:

Concerning the seizure of the Tientsin Customs by the  
Shansi party and intimating that details of the incident  
would be described in a subsequent Circular:

I now desire to place the following observations on record:—

2.—In order better to appreciate the genesis of the Tientsin case, it is appropriate for me to recall certain relevant facts of past history. After the outbreak of the Revolution in 1911 it was considered expedient to depart provisionally from the established practice of remitting the daily revenue collection to Chinese banks, selected by Superintendents, to be disposed of by the latter in accordance with the Government's wishes, and with a view to safeguarding the service of the foreign Loans and of the Boxer Indemnity secured on the Customs by loan agreements and by the Peace Protocol of 1901, it was decided on the advice of the Diplomatic Body that Commissioners of Customs should assume a measure of control over the revenue, and remit local revenue collections to central Revenue Accounts in a foreign bank in Shanghai, to be distributed at fixed intervals among the banks actually concerned with the service of the obligations secured on the Customs. For the first time, therefore, in the history of the Service the Inspectorate was charged with the responsibility of banking the revenue, of liquidating directly to the banks interested the foreign Loan and Indemnity obligations. It is clear that the application of these new principles, whereby Commissioners superseded Superintendents as the local custodians of the revenue, placed the former in a somewhat invidious position *vis-à-vis* their Chinese colleagues. And, moreover, further unfortunate anomalies arose later in connexion with the control of the so-called "surplus revenue," which seem to have caused frequent misunderstanding between the Peking (since renamed "Peiping")



officials and the Inspector General over money matters. The Canton Government, for example, in 1918 claimed their *pro rata* share of the surplus, on the logical ground that, having paid through the Customs revenue—collected in the treaty ports within the territory under their control—their quota of the Loan and Indemnity obligations secured on that revenue, they were entitled to a share of the surplus. This argument was for a time recognised as reasonable, and a share of the surplus was in fact remitted at fixed intervals to Canton for a year or so. The practice ceased, however, in 1920, and the Peking Government in 1921 definitely ruled that the revenue surplus was to be applied in future to the sole purpose of the service of the domestic loans in the Consolidated Debt. Again, in 1923, the Canton Government, with recurring vehemence, made strong representations to the Diplomatic Body regarding their claim to a *pro rata* share of the revenue surplus; ordered the Inspector General to remit such share with arrears; and declared that if this were not done the Canton Custom House would be seized, etc. This led to a naval demonstration at Canton on the part of interested foreign Powers—an act which was interpreted by the Canton Government as an unwarranted interference with China's domestic affairs. Later, in 1927, when the Nationalist Government acquired control of the Yangtze Valley and were established in Nanking, with actual jurisdiction over some 65 per cent of the area in which treaty port Custom Houses were functioning, the question of a division of the surplus revenue between the Peking and the Nanking Governments again became acute, and was being discussed when the Nationalist Government captured Peking in the following year, 1928, and subsequently became the recognised Government of China. In the spring of 1930, however, the civil war was renewed, and General Chang Fa-k'uei (張發奎), representing the Kwangsi faction, occupied Pakhoi. He forthwith ordered the Commissioner there to surrender the Additional Revenue accruing from the increase of the new tariff rates, but made no claim for the original 5 per cent Revenue. His demands were opposed, of course, and the matter was under dispute, when a few weeks later he was compelled to evacuate the place and withdraw his troops.

3.—As had been anticipated, a similar situation arose in the spring of last year in Tientsin when Marshal Yen Hsi-shan (閻錫山), whose rebel forces occupied North China, advanced a similar claim on the Tientsin Additional Revenue, maintaining through the agents who acted as his spokesmen that his intention was simply to detain the revenue in order to provide that it would not be remitted to the

National Exchequer. The original 5 per cent Revenue, the Marshal stated, might continue to be remitted as before for the service of foreign Loans and Indemnities. The Government rejected this demand, and on the 30th April (1930) the Marshal ordered the Tientsin branch of the Bank of Communications (交通銀行), the Customs Bank, to detain the Customs funds then lying therein. Thereupon the Government ordered the Tientsin Customs to undertake the actual work of collection, and satisfactory arrangements were promptly made by the Commissioner, Mr. F. H. Bell, to give immediate effect to these instructions. A serious *impasse* naturally resulted, and in order if possible to remove the difficulty the following suggestions were tentatively advanced:—

- (1) An equitable *pro rata* division of the Additional Duties between the National Government and the Northern Coalition;
- (2) A retention on deposit in Tientsin of all the Additional Duties, untouched by either side, until a decision should be reached; and
- (3) A personal visit by the Commissioner to Marshal Yen Hsi-shan to explain clearly the Customs position, a step which would have been a measure of conciliation on account of the decided attitude of opposition which the Customs had been obliged to take up against the Marshal.

The Government, however, were not prepared to compromise, and the Commissioner, in turn, was instructed not to give way. The Shansi Authorities, on their side, maintained their position and threatened to seize the Custom House unless their demands were complied with. An attempt to carry out this threat was actually made on the 6th May, when Mr. H. H. Tcheng (陳鴻鑫), Commissioner of the First Special Area, Tientsin, Mr. J. F. Tam (譚福), Secretary to the Mayor of Tientsin, and Mr. M. L. Tuan, Ph.D. (段茂瀾), Secretary to the Garrison Commander, as representatives of the Northern Authorities, along with the Superintendent's Secretary and a number of *k'o-chang* and writers, appeared at the Custom House with the declared purpose of taking over control of Customs operations. This effort, however, was frustrated, owing to the Commissioner's tact and firmness on that occasion, and to the written assurance he was able to give these gentlemen that my policy is, and has been, to keep the Customs Service out of domestic politics and to administer it for the general good of China as a whole.

4.—During the month which followed the Customs retained their position, while the representatives of the Northern Coalition seemed uncertain what course to take—the prevalent opinion apparently being that forcible ejection would not be resorted to, but that probably a rival Custom House would be established. *Pourparlers* continued between the Commissioner and the Superintendent, Mr. Kê Ching-yu (葛敬猷), but no *modus operandi* reconciling the opposing points of view could be found. Early in June Mr. Chu Yu-chi (朱有濟), formerly Superintendent in Shanghai (1925–27) and subsequently Vice-Minister of Finance in the Peking Government (1928), figured as an intermediary on behalf of the Northern Authorities and submitted proposals more or less on the lines of those outlined in the preceding paragraph. It is clear that Mr. Chu's suggestions contained nothing new and nothing likely to prove acceptable to the Government, but nevertheless the mere fact that the Shansi Authorities were prepared to keep the door open for further discussion was in itself satisfactory and reassuring. The Commissioner, however, did not enter into personal touch with Mr. Chu and thus endeavour to secure a continuance of his good offices with Marshals Yen Hsi-shan and Sun Ch'uan-fang (孫傳芳); and in these circumstances Mr. Chu, as might have been expected, did not pursue the matter. It should, however, be remembered that about this time the local situation in Tientsin seems to have become more favourable, and the Commissioner formed the opinion that no active steps would be taken to impair the integrity of the Customs. This being so, certain cases of important archives which had been stored in the Hongkong and Shanghai Bank as a precautionary measure were returned to the Custom House. Unfortunately, as the after event showed, the signs of the times were entirely misjudged, for on the morning of the 16th June the Superintendent, Mr. Kê, appeared in the Commissioner's office accompanied by Mr. B. L. Simpson, whom he introduced as the new Tientsin Commissioner of Customs appointed by Marshal Yen. The following gentlemen accompanied Messrs. Kê and Simpson:—

Mr. H. H. Tcheng (陳鴻鑫), Commissioner of the First Special Area, Tientsin;

Mr. J. F. Tam (譚福), Secretary to the Mayor of Tientsin;

Mr. M. L. Tuan, Ph.D. (段茂瀾), Secretary to the Tientsin Garrison Commander;

Mr. H. Y. Li (李漢元), Chief Detective of the Tientsin Chinese Police Force; and

Mr. L. C. Arlington, ex-Postal Commissioner.

During the latter part of the ensuing interview the Deputy Commissioner, Mr. R. C. Grierson, and the Chief Tidesurveyor, Mr. H. Abrahamsen, were sent for and joined the above group in the Commissioner's office.

5.—At this interview Mr. Simpson explained the nature of his instructions, stating that he had the Northern Coalition behind him; that resistance would be useless; that his men were in possession of the building; and that members of the Chinese staff vacating their posts would be shot as deserters, etc. In the meantime, the outside telephone wires were cut, thus isolating the Commissioner from external communication, and the Custom House was surrounded by a number of plain-clothes men who refused to permit anything to be removed from the premises, while posters in Chinese bearing the seals of the Emergency Headquarters, the Mayor, and the Superintendent, and informing the public of Mr. Simpson's appointment, were exhibited at all the entrances. Notwithstanding these facts, however, a few hours later Mr. Soo Ti-jen (蘇體仁), Marshal Yen's Special Financial Commissioner for Hopeh Province, in the presence of the British Consul General, Mr. L. Giles, declared that the seizure of the Custom House was unexpected, while according to the Commissioner himself other circumstances made it clear that the *coup* was in fact planned and carried out by Mr. Simpson without the Marshal's knowledge! The credibility of this view is strengthened by the testimony of the Superintendent, who subsequently informed me that had the Commissioner shown more resolution when Mr. Simpson appeared and refused to abandon a post which he held for and with the authority of the only recognised Government of China, and which technically he was not at liberty to vacate without the orders of that Government, the intruder would have been baffled and compelled to withdraw (*vide* Enclosure No. 1). The above opinion is further supported by the fact that Mr. Simpson is said to have expressed astonishment at the ease with which he attained control. It would, of course, have been useless to have offered resistance to actual force, but if Mr. Simpson had used force to oust the Commissioner,—a contingency which, in view of Mr. Ké's remark cited above, is doubtful,—he would *ipso facto* have placed himself in the position of having committed a personal assault, which would have at once brought him within reach of the law, and discredited him with his masters. It is impossible, moreover, to discover any justification whatever for the surrender by Mr. Bell to the usurper of the official Code-book, the telegram book, and other confidential documents. Having thus secured possession of these secret archives, Mr. Simpson was placed in a position to furnish

Marshal Yen with copies of the telegrams which had passed recently between the Inspectorate and the Tientsin Commissioner respecting the movements of munitions in the North, advising the Marshal at the same time that the Customs Code had been "misused," etc., which resulted in the dismissal of the Superintendent and added further unnecessary complications to an already difficult situation.

6.—It had been previously arranged that in the event of the Customs being seized by force the staff were to be withdrawn, but seeing that Mr. Simpson had asserted, as we have seen, that members of the Chinese staff who left their posts would be dealt with as deserters, the Commissioner very properly telegraphed for further instructions. Here it is perhaps desirable to reiterate that throughout the *impasse* I consistently endeavoured to have the authorities concerned treat the affair as a political rather than as a Customs question, a policy which was subsequently endorsed by the interested Ministers. Immediately on receipt, therefore, of the Commissioner's telegram, which had been delayed 24 hours, I applied to the Minister of Finance for definite instructions in regard to the evacuation of the staff, etc., and he, in turn, informed me that he would consult with his colleagues in the Government and communicate with me later on the subject. On the 19th June the Government issued the following instructions, which were wired verbatim to Tientsin and published the same day in Shanghai as a Customs Notification, as already stated in S/O Circular No. 69:—

"The public are hereby notified that the National Government have issued the following orders:—

- "(a) The Tientsin Custom House is to be closed  
"temporarily;
- "(b) The Customs Staff there are to be with-  
"drawn; and
- "(c) Cargo destined for Tientsin will be released  
"upon liquidation of all fiscal obligations."

The plans for withdrawing the staff from the Custom House were carried into effect on the morning of the 20th, and the building was closed and sealed, and the Maritime Customs Staff—with the exception of about 14 local recruits of the lower ranks—all left. In the interests of safety to navigation and life, however, all the members of the Harbour and the Lights Staffs were ordered by the Commissioner to remain on duty, and they continued at their posts throughout the whole of the Simpson regime. The unquestioning obedience and loyalty of the staff left nothing to be desired, and reflects great credit upon all concerned, and it affords

me satisfaction to place this fact on record. The Chinese staff were placed in a difficult position and are specially deserving of praise, for in executing the order to come out it follows that they faced the risk of extreme punishment, and perhaps of reprisals against their families, from the Northern Authorities in whose power they stood. Where all have done well, it may appear invidious to discriminate, but Mr. Tsao Lin (曹麟), 1st Assistant, B, Mr. Sung Ko Cheng (宋克誠), 1st Assistant, B, and Mr. Li Tung-wha (李桐華), 2nd Assistant, A, rendered such signal services in organising the withdrawal and in encouraging the staff to stand firm that I feel it incumbent on me to mention them for special commendation.

7.—Immediately after usurping control of the Tientsin Customs establishment, Mr. Simpson endeavoured to secure possession of the sub-office at Chinwangtao, and his emissary, a Mr. Taylor, was sent there for this purpose. Mr. W. E. Annett, the Acting Deputy Commissioner in Charge, in the meantime came to Tientsin to consult the Commissioner, who was advised by him to telegraph to Marshal Chang Hsüeh-liang (張學良) and request him to put a stop to interference with the Chinwangtao office, which was functioning in territory over which Marshal Chang exercised jurisdiction. Upon receipt of this message Marshal Chang issued orders to the Shanhaikwan Superintendent to adopt measures to maintain the integrity of the Chinwangtao Customs, and as an additional precaution I immediately transferred the control of the office from Tientsin to Newchwang, under which latter port it continued to function as a sub-office until the close of the year (*vide* Circular No. 4150). Incidentally, I may state here that this same Mr. Taylor appeared later in Chefoo for the purpose of seizing the Customs there, but it was evident that Marshal Yen Hsi-shan did not support this adventure and the attempt collapsed.

8.—On several occasions the Chinese Government lodged protests with the British Government, requesting at the same time the arrest and deportation of the offender, but the British Authorities for a variety of reasons did not move in the matter. The Counsellor of the Legation, however, in association with the Japanese Chargé d'Affaires in Shanghai, submitted informal suggestions to the Minister of Finance with a view, if possible, to effecting a compromise. After Mr. Simpson had succeeded in organising a makeshift staff, composed mainly of Chinese employees from local tax offices, and of dismissed or paid-off foreigners from the Maritime Customs Service, and thus demonstrated his ability to carry on, it was proposed that a settlement might be reached if both Mr. Bell and Mr. Simpson were withdrawn, and an arrangement made by

which the Additional Duties collected should be held in a neutral account pending the issue of the war. The Superintendent expressed his willingness to open negotiations on this basis with Mr. Grierson, but not with Mr. Bell, and in order that such negotiations might be carried on in as favourable an atmosphere as possible, Mr. Bell was given leave and told to proceed to Pehtaiho, where the Inspector General's bungalow was placed at his disposal, and where he could be easily accessible in case the turn of events should demand his recall to Tientsin. Instead, however, of moving to Pehtaiho Mr. Bell elected to proceed to Shanghai. In order to leave no stone unturned in the attempt to reach a favourable understanding with the Northern Authorities, I deputed Mr. Ting Kwei Tang (丁貴堂), Chinese Secretary on the Inspectorate Staff, to proceed to Tientsin and establish personal contact with the leading Chinese officials there. He endeavoured to convince them of the necessity, in China's interests, of preserving intact the integrity of the Customs Administration; and he rendered useful assistance to Mr. Grierson (now in charge of the Tientsin staff, as already mentioned) and Mr. Peel (of the Tientsin Native Customs) in their general negotiations. These negotiations culminated early in July in the following proposal to Marshal Yen—whom Mr. Ting saw personally at Taiyüanfu:—

- (1) That the Additional Duties should be detained on deposit at Tientsin in the joint names of the Superintendent and the Commissioner;
- (2) That on the restoration of the Customs to the Government a guarantee would be given that the establishment would not again be suddenly closed;
- (3) That qualified members of the new Chinese staff, engaged by Mr. Simpson, would be taken over according to Customs requirements and established rules; and
- (4) That the Inspector General would appoint a new Commissioner acceptable to the Northern Authorities.

Other sinister influences, however, were apparently at work, and the negotiations, unhappily, broke down.

9.—The issues at stake, however, were so far-reaching in their significance that it was incumbent upon me, notwithstanding this temporary set-back, not to let slip any possible opportunity that might present itself of keeping in friendly touch with the Northern Militarists, and of enlightening them of the danger of Mr. Simpson's rash action, etc. I therefore deputed the Chief Secretary,

Mr. P. R. Walsham, at the beginning of August to proceed to Tientsin and the North generally, commissioning him to convey to Marshal Chang Hsüeh-liang my thanks for his intervention on behalf of the Chinwangtao Customs; to solicit his good offices in further efforts to reach a solution of the Tientsin affair; and to attempt to get into personal contact with Marshal Yen Hsi-shan. With the assistance of the Chinese Secretary, the first part of this mission was successfully accomplished, and although Marshal Chang did not consider himself at that moment free to intervene actively for the restoration of the Tientsin Customs to the control of the Government, he yet declared himself to be in sympathy with all efforts that could usefully be made to secure a peaceful solution of the difficulty. Owing to Marshal Yen's frequent movements from place to place and to his preoccupation with political and military affairs, the Chief Secretary found it impossible to secure a personal interview with him, but communications took place by letter and by telegram. This correspondence had at least the effect of convincing Marshal Yen that the best interests of China would be served by keeping the Customs Administration out of domestic politics. Unfortunately, however, the Marshal, although expressing the friendliest sentiments towards the Service and its Chief, declared that he was not in a position to accept the proposed compromise, the terms of which, similar to those outlined above, had again been laid before him through the mediation of the new Tientsin Superintendent. It is obvious that the chief reason for the Marshal's inability at this stage to accept any offer of compromise was his urgent need of funds and the unquestioned fact that the revenue from the Additional Duties and Surtaxes was—in spite of Mr. Simpson's published assurances to the contrary when he first usurped charge—being diverted into the war-chest of the Northern Coalition. The steady flow of additional moneys into the Marshal's exchequer was for the moment obviously of greater importance to him than the question of the control of the Tientsin Customs.

10.—It was, indeed, this argument of ready cash more than any other which enabled Mr. Simpson to establish himself so securely with the Northern leaders. Having apparently convinced them of his indispensability from the financial point of view, he proceeded to administer the Tientsin Customs establishment in such manner as to secure the goodwill of the merchants and the community generally. Being himself a journalist with a strong belief in the value of propaganda, he naturally made much use of the public press to advertise his activities. He lost no opportunity of depreciating the work and methods of the Maritime Customs, and had no scruples



in denouncing that administration as a prey to inefficiency and to corrupt practices,—defects which he, of course, was endeavouring to eradicate from the Tientsin Customs, and so forth. In support of his accusations he pointed to an unprecedentedly large seizure of piece goods which had been made in consequence of the discovery of an ingenious fraud on the revenue practised by certain importers in collusion with a dishonest Customs Examiner, but he omitted to mention that this fraud had already been discovered during Mr. Bell's regime, and that the principals were actually being dealt with when he usurped charge of the Customs. Again, he broadcasted in the Press the necessity of reforming the Customs accountancy system on a modern basis, and boasted of his having placed a firm of chartered accountants in charge of the Tientsin Customs Accounts, both Service and Revenue. But, here again, he neglected to take the public into his confidence, and he refrained from stating that in getting together his scratch staff he had been unable to secure anyone competent to keep Customs accounts in accordance with established procedure and Government requirements. And by making a virtue of his necessity he, no doubt, succeeded in creating the impression he desired in some quarters. He likewise omitted to mention that the above firm of chartered accountants, who checked the daily balances with the relevant documents, could render audited accounts only on the materials submitted to them, while there were certain monetary transactions of no insignificant nature which could be, and which were, in fact, as the sequel proved, concealed from them. His methods of dealing with the declaration and examination of goods and assessment of values and of duties were in keeping with his fixed policy of standing well with the public at all costs, even if part of that cost meant a sacrifice of revenue interests and reasonable control. At first certain merchants and shipping companies had shown considerable apprehension when the seizure of the Customs took place, and they even addressed a strong protest to their national authorities, pointing out the disastrous effect on trade portended by this attack on the integrity of the Customs Administration. With most of them, however, that apprehension gave way to satisfaction when they became acquainted with Mr. Simpson's accommodating methods of dealing with business. Cargoes, for example, were released by him on day of application generally without any examination; applicants' declarations of value were accepted without question; and in cases of doubt as to what duty should be levied the decision was generally left to the merchant himself! A Custom House administered on these lines could scarcely fail to secure popularity with the trading public; although in the end it came to be looked at askance by the shipping companies concerned, who

complained that the unquestioned acceptance by the Customs of the weights declared by the shippers frequently resulted in loss of freight, etc.

11.—While the Northern Militarists had every reason to be satisfied with the financial success of Mr. Simpson's *coup*, the Educationalists of Peiping, who had hitherto been almost entirely dependent on regular grants from the Government for the maintenance of the colleges and universities in these centres, found themselves faced with empty coffers and with the urgent problem of how to fill them. The monthly grant of \$350,000 to these institutions, which formerly had been remitted to them by the Ministry of Finance, ceased shortly after Marshals Yen and Fêng had declared war on the Government. Neither of these gentlemen had cash to spare for the above Educationalists, and so the latter suggested that as the usual monthly grant of \$350,000 was formerly drawn by the Government from the proceeds of the Russian share of the Boxer Indemnity, and as this indemnity was a charge on the Old 5 per cent Revenue, it would be quite legitimate if Mr. Simpson were instructed to deduct this amount each month from the Old 5 per cent Duties collected at Tientsin and hand it over to the recognised educational authorities of Peiping. On the basis of this reasoning Mr. Simpson accordingly sent to me on the 6th September the following telegram:—

“ Acting under telegraphic instructions of Marshal  
“ Yen Hsi-shan, dated Taiyüan 3rd September I hereby  
“ formally give you notice that if by Tuesday 5 p.m. we  
“ have not received a specific undertaking from you that  
“ that portion of the Russian Boxer Indemnity namely  
“ \$350,000 a month which is set apart for the schools and  
“ colleges of Peking and Tientsin by virtue of Declaration V  
“ annexed to the Sino-Soviet Treaty of the 31st May 1924  
“ for the promotion of education among the Chinese people,  
“ and which should be paid over monthly to the Special  
“ Commission, established to administer and allocate the  
“ said fund, and remitted to Peking and Tientsin we shall  
“ deduct the said \$350,000 a month from the weekly  
“ remittances now being made by the Tientsin Custom  
“ House from the Foreign Revenue and enter it as paid  
“ directly on Boxer Indemnity account, this practice to be  
“ continued until such time as the Authority you serve  
“ fulfils its national and international undertakings, that is  
“ to say remits to the educational fund month by month  
“ the \$350,000 called for by international undertakings,

“ which remittance is now three months in arrears to  
“ the great distress of the schools and colleges of North  
“ China.—Lenox Simpson, Commissioner of Customs.”

This farrago of distorted facts was immediately submitted to the Minister of Finance, and after consultation with him and with the Director General of the Kuan-wu Shu, the following telegram was forwarded to Mr. Grierson on the 8th September:—

“ Transcribe and hand copy following message  
“ personally to Simpson, without comment; message to be  
“ as from you. Message begins. Am directed by Govern-  
“ ment to warn you threatened revenue appropriation quite  
“ illegal for which, if made, you will be held personally  
“ responsible. Firstly, disposal of Russian Boxer Indem-  
“ nity funds not under control of Inspector General. As  
“ Sino-Soviet Commission no longer exists Russian Boxer  
“ Indemnity funds entirely in hands of internationally  
“ recognised Government of China. Secondly, according to  
“ 1901 Protocol monthly Boxer Indemnity instalments are  
“ payable from Native Customs Revenue and only necessary  
“ make-up from Maritime Customs. Threatened arbitrary  
“ appropriation by you of \$350,000 monthly far in excess of  
“ Tientsin Customs contribution to monthly payments of  
“ Russian Boxer Indemnity. Thirdly, present 5 per cent  
“ Revenue from all ports, Tientsin included, hardly  
“ sufficient to cover foreign obligations. Any large  
“ deduction therefore from that revenue will probably  
“ cause default, responsibility for which will rest on you.  
“ Fourthly, Declaration V annexed to Sino-Soviet Treaty  
“ of 1924 does not specify any fixed sum as payable for the  
“ colleges and universities of any specific locality. Grants  
“ from available Russian Boxer Indemnity funds for  
“ colleges and universities in any part of China are entirely  
“ in gift of Nanking Government Authorities who are sole  
“ legal controllers. Sign R. C. Grierson. Message ends.  
“ If Simpson publishes any propaganda statement on this  
“ subject send copy of above message to Press.”

This message was duly handed by Mr. Grierson to Mr. Simpson, and was also issued to the Press to counteract misleading propaganda on the subject. The warning conveyed in it evidently caused Mr. Simpson some apprehension, for he immediately visited Peiping and consulted Mr. Chu Ao-hsiang (朱 鹤 翔) on the matter, and he refrained from executing his threat to effect the deduction, although during that month (September) he assembled sufficient

funds from the Old 5 per cent Duties to cover this educational appropriation. The Educationalists had obviously a case which appealed to public sympathy, and it was doubtless this fact which induced Mr. Simpson to espouse their cause. The political events of September, however, were such as to convince him that in order to protect his own interests a more profitable use could be found for the money.

12.—It was about this time that the tide of war definitely turned against the Northern Coalition. In the previous month (August) Tsinanfu had been recaptured by the Government forces, and it was apparent that Marshal Yen's army had been dealt a shattering blow there, and that the Northern armies had now no prospect of ultimate victory. A little later, about the 18th September, it became known that Marshal Chang Hsüeh-liang was dissatisfied with the Provisional Government then being established at Peiping by Marshal Yen and Mr. Wang Ching-wei (汪精衛), and that he intended to support the Government in order to put an end to civil war, and thus restore peace and unity to the country. Mr. Simpson, however, seems to have disregarded the logic of fact, and declared himself determined not to hand over his post to a representative of the Government unless and until orders should be issued by Marshal Chang or his representative. In this attitude he was said to have been supported by the French Consul, for it is understood that Marshal Chang, during the transition period when the officials of Marshal Yen were gradually being superseded, still hesitated for the time being to remove Mr. Simpson and restore control of the Customs to the Government. Events, however, now moved rapidly. On the 22nd September Mr. Simpson sent special delegates to Moukden to enlist Marshal Chang's favour on his behalf, at the same time addressing to the Marshal a letter in which he actually offered to hand over to him certain large accumulations of Customs revenue, collected while he was still an employee of Marshal Yen, including the educational fund of \$350,000, on condition that he continued to hold the post of Tientsin "Commissioner": comment is superfluous. These delegates reached Moukden simultaneously with a telegram from His Excellency Dr. T. V. Soong, the Minister of Finance, representing to the Marshal the case for the Government. The Marshal made no secret of his attitude, and telegraphed the following reply to the Minister:—

"Your telegram of 23rd has been received and noted.

"With regard to the taking over of the Tientsin Customs

"I will of course give every assistance in my power, but as

"unfortunately during the transition period the other party

“ is protected by the Concession, troops cannot conveniently  
“ be despatched there, and the police are not under my  
“ control to send. I have therefore telegraphed to your  
“ representative in Tientsin, Commissioner Ting Kwei  
“ Tang, asking him to submit proposals as to what should  
“ be done so that plans for action may be made. No  
“ matter what evasion the other party attempt, you may  
“ rest assured that as soon as the authority of my police  
“ is established I shall find means of taking the necessary  
“ steps.”

In these circumstances, Mr. Simpson's delegates perceived that the position for themselves and their master had become precarious, and a telegram was sent summoning him to Moukden. But the Marshal flatly turned down his overtures, and he was obliged to return to Tientsin with the knowledge that his adventure was drawing to a close, although he still showed a bold front to the public. On the 30th September Mr. R. C. Grierson, with the approval of Marshal Chang, was appointed by me Acting Commissioner *ad interim*, and instructed to act in concert with the new Superintendent and to take over the Tientsin Maritime Customs. On the evening of the 1st October, at a quarter past seven, just shortly before Mr. Han Lin-shêng (韓麟生), the new Superintendent, arrived, Mr. Simpson, while at home in the Commissioner's residence, was treacherously shot in the back by unknown Chinese miscreants, who made good their escape and who have since eluded discovery. The wounded man was immediately conveyed to the German-American Hospital, where investigation showed that one of the bullets had lodged in his spine. He rallied, however, and on the 16th October was removed to the Victoria Hospital in the British Concession, where it was considered that he would be safe from arrest by the Chinese Authorities. He unfortunately died there on the evening of the 11th November, just six weeks after the dastardly attack on his life. Speculation as to the identity of the assassins is futile. It is exceedingly doubtful that the motive of the crime was political, as some journals at the time asserted, since it is known that the Government intended, at the first opportunity, to arrest Mr. Simpson on Chinese soil, to submit him to trial and to punish him according to Chinese law. The deed is thought by some to have been an act of revenge for treachery to his master, Marshal Yen, and for the arbitrary detention of revenue collected under Marshal Yen's protection and claimed by him; while others consider that it may have been committed by private individuals as an act of retaliation for some real or fancied grievance.

13.—The arrival of the Superintendent and the removal of Mr. Simpson overthrew the final barrier in the way of restoration of the Customs to the control of the Government. As an act of grace the Superintendent granted a solatium of one month's pay to each member of the staff who had served under Mr. Simpson. The regular Maritime Customs Staff was reinstated, and on the morning of the 3rd October work was quietly resumed on the old lines. Mr. Koo Tse-yi (顧子儀), one of Mr. Simpson's Deputy Commissioners, who had promised to be present, secretly decamped beforehand, and wrote to say that he had done so as he was afraid of attempts being made on his life. In order to investigate the Tientsin accounts and ascertain as quickly and as accurately as possible the manner in which Customs work had been carried on during the Simpson regime and the condition in which it had been left, Mr. L. H. Lawford, then Audit Secretary, and Mr. H. E. McGowan, Technical Adviser to the Tariff Secretariat, were despatched to Tientsin to carry out a thorough investigation and report. Their inquiries proved, what had already been indicated, that Mr. Simpson, not having a superior officer to whom reference would in normal circumstances have to be made, settled tariff and other questions on the spot and therefore without delay; that, owing to his lack of knowledge of Customs work and regulations, he was very much in the hands of merchants—a fact which contributed not a little to his local popularity; that his easy-going acceptance of merchants' declarations and classification of goods without verification was not in the interests of the revenue; that, while his alleged reforms in Customs procedure may have made good journalistic copy, they lacked basis of fact; that his staff was a mere makeshift—three of his men had been discharged from the Maritime Customs Service for inefficiency and four others had been dismissed from the same Service for varying degrees of dishonesty and fraud; that, thanks to lax administration, shipping agents by accepting Customs weights for exports found their ships carrying large quantities of cargo in excess of shipping order weights; and that, in spite of his frequently repeated boast that the accounts were being audited daily by a firm of chartered accountants, investigation revealed the fact that a sum of approximately \$130,000—cash proceeds of sale of confiscated goods—had disappeared and that the auditors had no knowledge of the transactions involved! Mr. Koo Tse-yi, who was also implicated in this discreditable affair and who had taken refuge in Dairen, was subsequently arrested with the assistance of the Kwantung Authorities, and is now undergoing trial at Tientsin. And, as a precautionary measure,

a claim for the sum involved has been filed with the British Authorities at Shanghai against Mr. Simpson's estate, pending further investigation.

14.—Thus ended the most daring of all attacks ever made on the unity and integrity of the Maritime Customs Service, and a feature that renders it more tragic is that it was made by the son of a former Commissioner. It is true that he did not himself create the situation, but the evidence indicates that without his active advice and interference the Service would probably have escaped being drawn into the maelstrom of Chinese domestic politics, and thus exposed to grave danger. During the past 75 odd years the Maritime Customs Service has developed into an organisation to which Chinese and foreign merchants, bankers, shipowners, and navigators can, and do, invariably turn for assistance in the furtherance of their legitimate interests. It is by means of the Customs Service that the whole of China's great and growing foreign trade is supervised and controlled, and it is to it that the care and maintenance of China's numerous lighthouses and other aids to navigation are entrusted. The execution of these responsible and highly important services smoothly, expeditiously, and efficiently demands unified and centralised control, and in order to secure this it is essential to keep the Service clear of politics!

15.—I append hereto for record copies of Mr. F. H. Bell's report (Enclosure No. 2) and Mr. Simpson's despairing letter to Marshal Chang invoking his support (Enclosure No. 3).

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE No. 1.

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*Mr. Ké's Letter to Inspector General.*

梅總務司勛鑒前承

教益並擾

盛筵無任欽感旋奉

賜書拜悉種切承

詢津關事 敬啟當時以丁此時艱亟應有一妥善辦法庶維關制而應時機曾將種種利害關係與貝

稅務司詳言往返討論月餘之久最後磋商一切不變更關款存放簽撥仍照向章由稅務司辦理僅

於無形中表示新稅部份暫時緩匯即可了事而貝稅務司起初祇知一味崛強不肯就範及辛博森

接收之時則又軟化不能隨時應付殊屬憾事耳肅復敬頌

勛安諸維

垂照不備

葛敬猷拜啟



## ENCLOSURE No. 2.

*The Tientsin Commissioner to the Inspector General.*

TIENTSIN (WEIHAIWEI), 28th September 1930.

SIR,

In accordance with the instructions of your semi-official letter dated 28th August, I have the honour to submit the following report on the occurrences at Tientsin between the 30th April and 30th June 1930.

On the 30th April 1930 Marshal Yen Hsi-shan, representing the Northern Coalition at war since March of this year against the National Government at Nanking, sent an order to the Bank of Communications (交通銀行) at Tientsin, the duty-collecting agency of the Tientsin Customs, and formally detained the balances of Customs collection lying there, forbidding further remittance to the Ministry of Finance of the "New Duties" or additional duty collection over and above the Old 5 per cent Tariff. The order was enforced by a party of officials who took up a position at the bank to see to the carrying out of the Northern military leader's command. These tried their utmost, but were unable to induce the manager to actually relinquish to them the sums held by him; but under duress he was equally unable to surrender the balances to the Commissioner of Customs either. The facts of the case were immediately telegraphed to the Inspectorate by the then Commissioner of Customs, Mr. E. B. Howell, and instructions asked.

This action of the Northern leader deserves here more attention than it has generally received, owing, no doubt, to the more dramatic and public move of six weeks later in the seizure of the Custom House by Mr. Simpson. For it was in truth not merely an introduction to, but the whole *fons et origo* of, the latter event. The Marshal had taken the grave step of directly seizing revenues lodged in a Customs collecting bank and assuming authority for their disposal. Neither demand nor warning of his intention to use force were addressed—either directly or through the Superintendent of Customs—to the Commissioner. Such a seizure of Customs funds, conducted as might have been done with a local likin station, is unprecedented in the history of the Maritime Customs and evinces his indifference to its special national status. It was to this blunt seizure on the 30th April, and the quite logical reply of the Central Government that followed immediately upon it, that the whole

deadlock which ensued, eventually culminating with the forcible seizure of the Custom House itself, is due. For, meeting thereupon with resistance of a sort outside the experience of such a military potentate, accustomed to submission from mere subordinate civil bureaux within his sphere of power, the Marshal found himself committed to further action through fear of loss of personal prestige. The counter-action of the Customs was plainly more than he or his advisers expected. But, the sword having been drawn (I use the simile of one of his own officers to me), his high position did not allow him to appear to weaken in his purpose. The collection and handling of the Customs duties were wrested from his grasp; remittance to the South continued as before. A compromise was from that day all but impossible; and though a *via media* was earnestly sought by those between the upper and the nether millstone, no suggestion of the several put forward was ever in reality acceptable or, it seemed, ever very seriously considered by either side—one of which would not let go of the power, the other of the principle.

With my assumption of charge of the Tientsin Customs next day, the 1st May, I received your telegraphic instructions to withdraw the revenue-collecting agency from the Bank of Communications and give it to a foreign bank, continuing remittances to Shanghai as before; and on your orders I warned the Superintendent that, in the event of action against the Customs, I might be compelled to suspend function here and declare the port closed to commerce both coastwise and international. Of same date came a long telegram to me from Yen Hsi-shan at Taiyüan informing me that he had taken over the Customs establishments throughout his territories and that he forbade all expenditure and remittance without direct authority from him. I was thus in a state of war with the *de facto* government from the hour of assuming charge.

As was to be looked for, no foreign bank would touch the question of collecting the duties in such circumstances. As the only alternative I proposed, and you approved, the improvising of a Collecting Office from my own staff. The agent of the Hongkong and Shanghai Bank was averse from even accepting the daily collection on deposit or remitting the funds to Shanghai, being advised not to do so by his Shanghai manager, who had gathered from the Minister, Sir Miles Lampson, that "the bank would be wise not to touch the matter." When I was on the point of resorting to the last—and rather absurd—expedient of sending down the money collected by freight, as opportunity offered, to Shanghai, this difficulty with the bank, the details of which are fully dealt with in semi-official correspondence, was at length surmounted; and the

agent consented to accept the paying-in of the daily collection from my new office for remittance in due course. The Collecting Office started to function on Monday, the 5th May, when that of the Bank of Communications was closed and their staff withdrew.

It was not to be expected that the defiance thus shown to Marshal Yen Hsi-shan's telegraphic order to me and to his action with the collection and remittance would be left unchallenged for long; and in my telegraphic summary to the Inspector General (4th May) I gave serious warning that counter-action must be looked for. The following day, the 6th, three gentlemen presented themselves at my office: Mr. H. H. Tcheng (陳鴻鑫), Commissioner of the First Special Area; Mr. J. F. Tam (譚福), Secretary to the Mayor of Tientsin; and Mr. M. L. Tuan, Ph.D. (段茂瀾), Secretary to the Garrison Commander; and informed me that they had been delegated by the Government to take over the collection of the duties and to "detain" the Additional Duties. They handed me a despatch to this effect from the Garrison Commander, General Fu Tso-i (傅作義), and the Mayor, Mr. Ts'ui T'ing-hsien (崔廷獻), and were accompanied by a *posse* of *k'o-chang* and writers headed by the Superintendent's secretary, who waited outside to take over the functions of collecting. Mr. Tcheng announced to me that they had come with strict injunctions not to leave the Custom House until they had established their control.

An ordeal followed that lasted for nearly four hours. Several times one or another of the trio went back to the city for instructions. Each in turn took up the tale. The whole staff stood to their posts until the outcome could be seen. My arguments and statement of the Customs' case cannot be cited in full here. I said that the Customs was in no way opposing the politics of the North but that what it did it did on behalf of the whole nation, standing firm for the credit financially of China. I told them that their purpose there to-day could not be effected except by a definite act of force, the consequences of which no one could see. Finally, I insisted that at least they must wait until I could wire a full report to yourself and ask for your confirmation that the attitude I was adopting was by authority. Late in the afternoon my arguments were timely assisted by the arrival of your semi-official letter to me of the 1st May; and I finally induced the party to promise to forward by telegraph to Marshal Yen Hsi-shan himself a copy of the last 10 lines of your letter as summarising the Customs' position:—

"My object is to keep the Customs Service entirely  
"out of domestic politics and administer it for the general  
"good of China as a whole, and whichever party ultimately

“remains in power will benefit by having an organisation preserved intact and not split into sections. Besides, the Chinese bankers and China’s credit at home and abroad will suffer by local raids on revenue ear-marked for foreign Indemnities and Loans secured on the Customs. I feel confident that Marshals Yen Hsi-shan and Fêng Yü-hsiang would also share this view if all the facts were explained to them in detail.

“(Signed) F. W. MAZE.”

Each of the three took a copy of the above. I let them see the wording of the telegram that I was about to send you, and they at length consented to await an answer from you to it. I, for my part, held back my written reply to the local government—in which I categorically refused their demand to me to surrender supervision of the Customs revenue collection and to refrain from remitting further to the Southern Government—until your reply should reach me. But the despatch was drafted before they left, so that there might be no misunderstanding. The whole interview was entirely without heat, and the party left in friendly mood, complimenting me on the correctness of my attitude on behalf of my Government.

Regarding this interview, it is of importance to note here that, throughout the conversations, no mention was made by the delegates indicating that it was purposed that the New Duties were to be left untouched; that the desire was merely to see that the money should not be used by the Nanking Government against the North. The 5 per cent collection was to be remitted, as before, for the service of foreign loans, etc.; this was always stated to be their intention. The New Duties were to be “detained”: this was the word constantly employed. But no proposal about leaving them unused was suggested at this meeting. There was, however, an interesting development on the following day, when I was again visited independently, in the morning by the same Mr. Tam, representing the Mayor; in the afternoon by the Superintendent. Mr. Tam appeared to have quite accepted yesterday’s conclusion, and told me in so many words that the secret of it all was this: that Yen Hsi-shan was losing so much “face” over the Customs question, *i.e.*, his initial step and the Customs *riposte*, that “something must be done.” And on this and without committing ourselves on either side, the question of a possible *via media* was discussed between us. The following possibilities were considered:—

- (1) A division of the New Duties between North and South;

- (2) A detention, on deposit in Tientsin, of the entire New Duties, untouched by either party, until a decision should be reached;
- (3) A personal visit on my part to Marshal Yen Hsi-shan to explain the Customs' position—a conciliation, as it were, proffered because of the decided attitude that the Customs had had to take up.

These suggestions were all advanced tentatively by *myself*, and this was the first time that any of them had been brought forward by anyone. With the Superintendent later much the same views and suggestions were exchanged. My colleague had now definitely identified himself with the Northern Government views, and officially in writing forbade further remittance of the funds to the South.

In due course came the Inspector General's reply to my telegram of the day before. My action was confirmed. The position as laid down by me to the local officials was correct. I was not to give way. Telegrams followed instructing me that, in view of further active steps against the Customs, preparations were now to be made for an evacuation of the port by the staff. Fiscal obligations, I was instructed, would be discharged at other Chinese ports of origin or call; the Custom House would be abandoned; all documents, forms—anything calculated to assist a vicarious authority,—were to be got ready for instant removal. Replying to these, I summarised the position as now existing; and in various messages, on record at the Inspectorate, I placed before you the definite compromise suggestions detailed above; urging especially that the matter was largely a question of personal pique which might well be entirely appeased by such a personal visit on the part of Commissioner to the opposing chief. At the same time I warned the Inspector General that I had ascertained that the Customs must not look for protection from the French Authorities in the event of interference with the Custom House by the local government; the question being regarded by them as a purely domestic Chinese matter. The reply to all these suggestions was a refusal. I was to remain firm and I was not to visit Marshal Yen Hsi-shan.

Following upon the occurrences of this week we now entered upon a phase of uncertainty and rumour and on our own part of quiet preparation for a renewal of the pressure in some shape. The local officials seemed to be undecided how to act. The steadfastness of the Customs was something unlooked for by these young and little experienced men in office. Much communication with the Marshal at Taiyüanfu appeared to be going on. I was visited

by, or myself visited, the Superintendent almost daily (and several times at night) to discuss some suggestion for a *modus operandi* that seemed likely to reconcile the points of view between which we stood. The Mayor's representative and I also exchanged visits, and I had to announce to him the decision received from Nanking regarding our suggestions. I saw much of the manager of the Bank of Communications, Mr. Young, in order to try and obtain pointers on the situation. From him I learned that constant threats were being used to make him surrender the Customs balances of New Duties, but that he "would never part with them. They might kill him first." Superseded though his bank had been by my new office in the collection of the duties, Mr. Young was throughout friendly and helpful, and he was emphatic that the Customs had taken the right course.

I kept in touch with the Consular Body: with the American Consul General, as Senior Consul; with the French Consul, as authority for the Concession in which the Custom House stands; and with the British Consul General, Mr. Giles, whose attitude was sympathetic and encouraging in my present course of action. I tried to see the Minister, but he passed through Tientsin without stopping, and I believed that any visit on my part to Peking would prejudice me with Chinese opinion generally. As I wrote semi-officially to you at this time, the glass went up and down from day to day. Rumours of the establishment of another Custom House by the local government began to be given credence by the public and the Consuls were much puzzled to know how they should deal with such an anomaly as two Customs. A well-known merchant privately warned me that he had been approached by the Mayor asking if he would accept the post of [Commissioner of] such a Customs which it was proposed to establish in the First Special Area and at Tangku. The name of Mr. Simpson at Peking was also mentioned in this connexion. The Superintendent, though friendly with me, was now quite clearly parting company officially with the Customs. He ceased to provide me with necessary forms and documents; outward transit had to come to an end; Duty Receipts had to be issued stamped with Commissioner's name in place of that of the Superintendent. He wrote to the Hongkong and Shanghai Bank formally requesting the agent to refrain from remitting to Shanghai on my instructions. Again for many days my banking arrangements were in danger.

It is not irrelevant to remark here that these were the first days of a new charge of the port, the work incidental to which cannot be put on one side; while to it now had to be added responsibilities

attached to the collection, for the first time by ourselves, of the actual duties. There occurred also at this time the disclosure through private information of serious malpractices in the Out-door Staff, involving the suspension from duty of a Chief Examiner and the implication of many more of our officers in organised conspiracy to defraud the revenue. The strain on all was considerable; but, together with the Deputy Commissioner, Mr. Grierson, I kept the political situation to the front constantly. I also kept the Native Customs Commissioner, Mr. Peel, fully informed of all that was passing, seeing him daily. The next move was to be looked for from the Northern Party and, in view of the possibility of another and it might be a more determined attempt to take over the Customs or Collection Office, I lodged in the strong-room of the Hongkong and Shanghai Bank Commissioner's confidential and semi-official papers; and, in keeping with your instructions, I arranged, partly by the same means, partly by having ready in the various offices cases all ready for packing at short notice, for a sudden departure with all books, documents, and forms likely to assist those who might displace us.

It was during this period—that is to say, subsequent to the refusal by the Government of my suggested compromises—that I received two or three confidential letters from yourself in which you acquainted me that you, personally, were in sympathy with the view that the Northern Party should be permitted to retain the *extra-5* per cent duties, but that you were under the orders of the Nanking Government, and, as such, must obey. You requested me to get into touch with various people and to endeavour to reach some solution that might be acceptable to both sides. This, it will be seen—and a comparison of dates of records in the Inspectorate will confirm—I had, throughout, been diligently engaged upon. You emphasised that the issue was a purely *political*—not a *Customs*—issue; that we were merely executing and not shaping policy. I did not entirely grasp the precise bearing of this phrase. As a defence of our action it was not an argument that appeared to me likely to appeal to the opposing side, and I did not present it to them. But I continued in my efforts with the Superintendent to arrive at some suggestion for a compromise. But what, after all, is the compromise between *to be* and *not to be*; between *Yes* and *No*? No suggestions were made that I had not already submitted and been refused; and what were now proposed were again now refused. Although the Inspector General's letters recognised a reasonableness in the Northern claims, his telegraphic and official replies to suggestions made were quite distinct. *I was to stand fast.*

One factor was now in our favour. Time was being gained. A clear month passed after the attempt of the 6th May without the local government taking further steps against the Customs. The hostility of the local Press against the Customs appeared to be somewhat decreasing. What threats were heard pointed to the formation of an opposition Customs rather than towards another attack on the Custom House. It began to be said in official circles and among merchants and the Chinese bankers that the Marshal would not now take hostile steps against the Maritime Customs but would bide his time until victory in the field, which he now believed imminent, should give him control of the whole Administration. In the meantime the emergency in which the Tientsin Customs stood must be becoming more understood by our own authorities.

At the request of the Superintendent I forwarded two proposals from a friend to the Customs but whose sympathies were with the North. I append translation of these letters. The first makes no actual suggestion; the other suggests the compromise, already put forward, of a detention of the revenues at Tientsin.

On the 6th June a new suggestion was framed after a long discussion between the Superintendent and myself. This was that the Additional Duties might remain on deposit in the hands of the Commissioner at Tientsin, neither side drawing on them for a period of, say, three months pending further negotiations. I did not myself believe that there was any likelihood of Marshal Yen Hsi-shan agreeing to this proposal, which was, again, my own suggestion. In my telegram forwarding it I added that the Customs could, and, in my opinion, should, continue to hold out. Sir Frederick Whyte was passing through Tientsin and that morning at lunch at my house I went through the whole story to him and to Mr. Giles, the Consul General. I begged him to see you on his arrival at Shanghai and to tell you that, one way or the other, something must be finally decided upon; and if compromise was not to be agreed upon arrangements to meet a crisis must be ordered. I venture to say here that to express certain views by letter and to continue to negative proposals officially by telegram was placing me in a difficult position.

During this time and up to the *dénouement* of the 16th June the situation appeared to me to ease considerably, and the feeling was so general that no active step would now be taken against the Maritime Customs that I permitted my natural desire for more normal conditions to lead me into the error of judgment of bringing back to the Custom House the eight or nine cases of documents and



papers from the Hongkong and Shanghai Bank strong-rooms; for I believed that we should have sufficient warning even should action against us again become probable. For some four or five weeks books and necessary papers had been coming and going between Custom House and bank; the dislocation of routine work was considerable; the moral effect of such expedients depressing upon the staff. I therefore permitted the cases to be returned to the Customs and as Commissioner's semi-official files came with the rest they were, unfortunately, seized together with everything else in the building a few days later. They came back on the 13th; on the 16th the Custom House was occupied.

On Monday, the 16th June, I went to my office at 8.45. There was no sign of anything unusual being about to occur. At 9.15 my Chinese Secretary came and told me that the Superintendent had telephoned that he wished to come and see me. I told the Secretary to reply that I would be ready to receive him at any hour during the morning; but he returned to say that the Superintendent was already here, and with that Mr. Kê appeared in the room. He seemed excited and began at once that he had received orders from the Government to take over the Custom House; that a new Commissioner had been appointed to take my place; and that he was present to do so forthwith. Hereupon, from behind the Superintendent, Mr. Simpson entered the room followed by several people. I did not know Mr. Simpson, and he was introduced by the Superintendent. We shook hands and he sat down. There were now in the room the Superintendent, Mr. Kê, Mr. Simpson, a Mr. Arlington, Mr. H. H. Tchong, Commissioner of the First Special Area, Mr. Tam, Secretary to the Mayor, Mr. Tuan, Secretary to the Garrison Commander, and the Chief Detective, named Li. Proceedings were perfectly normal and quiet; the time was about 9.45.

Mr. Simpson began a long discourse to the effect that he had, much against his will and upon very short notice, been deputed by Marshal Yen Hsi-shan by telegram to proceed to Tientsin and, in view of the *intransigent* attitude of the Customs over the Additional Duties, to assume charge of the Custom House. He showed me what he said was his Commission. He brought with him, he continued, his friend Mr. Arlington as Chinese Secretary. Mr. Arlington, an American, was here introduced to me. Mr. Simpson went on that he acted with the full authority and powers of the Northern and local government behind him; that any resistance would be useless; that I was "isolated" and his men at this moment in possession of the whole Custom House. His orders were, he said, that in the event of any of the Chinese staff attempting

to leave their posts in the office they would be shot as military deserters; and this remark he repeated in the same wording at my request. (He later admitted to the Consul General that he had used the threat.)

I rang the bell for the t'ingch'ai and gave him a letter addressed to the French Consulate and lying, all ready, in a chit book. This note had been written two weeks before and informed the Consul that the Custom House was being occupied by force and requested him to send a representative to witness the act of forcible seizure with a view to record. (I did not receive any reply, nor did anyone come.) Assistance I did not expect, the French Consul having told me at the beginning that the French authorities would not intervene.

I spoke through the desk telephone to Mr. Grierson, Deputy Commissioner, giving the word "Wash out"—a code phrase which I had given him some time before to indicate to him that I was in a desperate position and that he and the rest of the office were to remove all documents as arranged.

Mr. Simpson continued to address himself to me in a long speech upon the political and military position and the Customs' attitude. He said that Tsinan was on the point of being captured by the North, that in a fortnight or so the Nanking Government would have fled. I asked him why, then, did the North need to capture the Customs at Tientsin. Regarding his arguments on the question of the right to the New Duties, I had already considered all that he brought forward and my own mind was more intent on thinking out the possibilities open to me now in the face of this *fait accompli*; and I continued to wait for the reply from the French Consulate and to hope that the documents were being got away by the various departments. But all over the Custom House, I subsequently learned, work had ceased and everyone was under observation. The books and documents hastily thrown into the cases ready there for them, were stopped by guards at the gates and sent back into the Custom House. The telephone wires connecting with outside were all found to be cut. Certainly the arrangements were very thorough.

Immediately Mr. Simpson arrived at the Custom House notifications issued by the Tientsin Mayor, the Garrison Commander, and the Superintendent of Customs were posted on all walls. Following is a translation of this notification:—

"By virtue of Marshal Yen's instructions Mr. Lenox  
"Simpson has been appointed Commissioner of the Tientsin  
"Customs. Hereafter all additional duties and surtaxes

“ will be detained at Tientsin, while the original 5 per cent  
“ duties, which are hypothecated for the service of foreign  
“ loans, will be treated as heretofore. The Customs  
“ employees must continue to work as usual, and the pay,  
“ pensions, allowances, and all other benefits are hereby  
“ fully guaranteed. Anybody who leaves without per-  
“ mission or neglects his duties will be severely punished.”

It was 11.30 before I said to Mr. Simpson that I must see my Deputy Commissioner and Chief Tidesurveyor. In reply, without looking at me, Mr. Simpson said that he could not allow me to address the staff. I rang up by desk telephone, however, and requested Mr. Grierson and Mr. Abrahamsen to come to Commissioner's office at once, which they did. I then said to Mr. Simpson before these two gentlemen that my orders in the event of active interference with the Customs were to withdraw the entire staff and evacuate Tientsin. Mr. Simpson replied that, as to the foreigners nothing would be done, but that if any Chinese left his work he would be shot as a deserter. I then said that in the face of such a threat I could not expose the Chinese to danger of death, I therefore asked that I should be given time to telegraph to Shanghai for instructions, remaining—if necessary together with Mr. Simpson—with my staff until I should receive an answer. The reply to this was that I must go at once—by noon. The Superintendent, Mr. Kê, was particularly against the suggestion. He said several times, “No no. We should not wait for further telegraphing. We shall get the same reply as before and delay will be caused uselessly.” Then, after consultation with Mr. Grierson in the adjoining ante-room, I said I would take it upon myself to instruct the staff to remain—on my direct orders—at their work. I would leave the office and would telegraph the circumstances to Shanghai. I should look for a reply within about 24 hours, and such an interval should make no difference one way or the other. But on receipt of the Inspector General's reply and instructions I should act, and then I should look to the staff to obey precisely as though the orders were given by me from the Commissioner's office. After some discussion this programme was accepted by Mr. Simpson, who, at my request, wrote me a letter formally stating the circumstances of his usurping control, which document I have already handed to Inspector General. Mr. Simpson now demanded the keys of the Commissioner's safe and the Telegraphic Code and requested that I should withdraw taking only my private papers. I first handed the key to the Deputy Commissioner, but then feeling that by this I put him in a false position, I took it back and gave it to Mr. Simpson

myself. The Code and telegram book were on my desk, I had carried these about with me continuously for many weeks. They, at least, would not have been saved by depositing at the bank. The telegram book was, of course, duplicated by the messages being on file elsewhere in the office.

Mr. Simpson made a speech again, but in Chinese, saying that he had been appointed by special decree of Marshal Yen Hsi-shan and now formally took over charge. I replied, also in Chinese, protesting against this act of force and holding the Superintendent (present) responsible for his share in it. I then (12.30) left my room in the possession of Mr. Simpson and his followers and Mr. Grierson and Mr. Abrahamsen, and went down to my car, accompanied by the General's secretary and two others of the party, intent, apparently, on seeing that I should not have communication with the rest of the office. As I left the compound in my car I observed the French Chief of Police looking over the low wall watching for developments. I went directly to the American Consul General as Doyen of the Consular Body and related what had occurred. I then went to the British Consul General and told him of the morning's events also. I asked him if, in his opinion, I had taken the right course in the circumstances; and he replied that I could have done nothing else, as I had to consider the safety of my staff. I then went to my house.

It is noteworthy here again that Mr. Simpson, in his remarks, did not mention that Yen Hsi-shan intended to keep the Additional Duties seized in suspense untouched or that such had ever been the intention. No word was said that attempts to come to any agreement had failed.

I first telegraphed at once *en clair* the bare fact of occupation to the Inspector General; an hour later sent a fuller account in code (Mr. Peel's copy of which I borrowed); and in the afternoon sent another report, by kind suggestion of Mr. Giles, through the Consulate, as follows:—

“ Customs was occupied at 10 this morning by large  
“ number of officials and retainers. Simpson appointed in  
“ charge. Everything in their hands. Staff warned to  
“ continue work, foreigners under pain of dismissal,  
“ Chinese of being shot as deserters. Only arrangement  
“ I have been able to make is that I have told staff that  
“ I would wire to you for confirmation or otherwise of  
“ your original order to evacuate Customs and port in  
“ event of interference with Customs. Do you still order

“such evacuation or withdrawal from Custom House etc.  
“by foreign staff and Chinese staff? Arrangement is that  
“no steps are taken in this connexion until noon to-morrow,  
“by which time I should receive your reply. Following  
“from Peel. I have not been interfered with so far but  
“expect to be at any moment. Please send definite  
“instructions regarding action as to remittances and as  
“to staff.”

So far from receiving a reply within 24 hours as I had thought possible, I had to wait for three days—until Thursday evening, the 19th—before I heard from Shanghai. The first two telegrams, I later heard, were never received—doubtless they had not been allowed by the government to go through,—the last, through the British Consulate, only after more than a day's delay.

During these three days I could do nothing but wait. On the evening of the 16th I met the whole foreign staff at the Customs Club, where I was to take the chair at the annual meeting that night. I explained the position to them and the arrangement come to with Mr. Simpson and made them realise that I was powerless to move until I had received instructions from Shanghai. I heard from the Deputy Commissioner, who came to see me at my house, that work went on at the Customs in a normal way under the new Commissioner; but I made no attempt to see the staff or go near the office as I felt bound by the terms of my agreement not to take action of any sort.

On the same afternoon as the seizure by Mr. Simpson of the Custom House I was invited by the British Consul General to meet Mr. Soo Ti-jen (蘇體仁), who was, I understand, a secretary of Yen Hsi-shan. This gentleman told me, in the presence of Mr. Giles and Mr. Ogden, Consul, that he was just down from the Marshal at Taiyüan. He had no idea that a seizure was contemplated, was taken by surprise, and, I understood him to say, considered a great mistake had been made. Other circumstances have made it clear that the *coup* was, in fact, planned and carried out by Mr. Simpson without Marshal Yen Hsi-shan's knowledge. Mr. Soo was very complimentary, and before Mr. Giles and Mr. Ogden he said that Commissioner's action and attitude had gained nothing but respect from all the local officials with whom he had spoken. The following day I was visited in my house by the Superintendent, Mr. Kê, who expressed his regret at the part he had had to play, and also bore witness to the correctness of my bearing throughout in taking leave of me.

As these days passed and nothing occurred, the idea gained ground that nothing would be done; that the Nanking Government would acquiesce in the *fait accompli*. I did not think so, but the possibility of such a sequel had guided me in the action I had taken. Mr. Simpson began, I heard, to try to get into touch with the Inspectorate by telegram. The Chinese papers, and that of Mr. Simpson at Peking, were full of scurrilous allusions to myself.

On Thursday evening, at last, a reply from the Inspector General was handed me by the British Consul:

“National Government order me to instruct you  
“to close Tientsin Customs and withdraw staff from  
“Customs . . .”

The same instructions were handed to the Native Customs.

The staff of the Customs had now been working for three days under the new control. They would, of course, have been given no news or information but just such as it might suit that regime to give them. All that the large number of all ranks and departments would be thinking would probably be that they had been, almost inexplicably, deserted by their chief. It was undoubtedly quite a question whether the Chinese would obey, all at once, such an order to withdraw from their work and face again the threats of extreme punishment by a government in whose power they so wholly stood. And how, too, was the task to be gone about of formally closing the Customs, now completely in the hands of the local authorities and presumably guarded? Whatever the results and the final judgment upon this unfortunate chapter in its history, the Service can assuredly find reason for nothing but pride in the immediate and unquestioning response by all—with only a half-dozen insignificant locally engaged exceptions—to the order of the Nanking Government through the Inspector General to withdraw from their duties and await further orders. During the night of the 19th the leading members of the In-door Staff and the Chief Tidesurveyor for the Out-door Staff—together with the Commissioner of the Native Customs, to which staff the instructions from Shanghai also applied—met me in conference at the residence of the Deputy Commissioner; and until almost morning the employees were being quietly visited in their houses all over the Foreign Concessions and the Native City and instructed not to attend at duty on the following morning. At 8.30 in the morning, Friday, 20th June, I went with the Tidesurveyor to the Customs compound. Not a soul was present at office or Examination Sheds; and we together closed and sealed all offices and the gate of the compound and withdrew. Within an hour or two I acquainted the public and the Consular Body by printed

notification that, by order of the Government at Nanking through the Inspector General, the National Customs was closed until further notice. Of my own discretion I excepted from the *personnel* withdrawn all the Harbour and Lights Staff in the interests of safety to navigation and life. These at my orders continued at their duties and still remain at duty under the present regime. Apart from these and about half a dozen subsidiary and locally appointed employees whose fears or hopes of bettering themselves induced them to go over to the other side, the whole staff—*i.e.*, about 50 foreign officers and 180 Chinese of the In- and Out-door Staffs and Native Customs—absented themselves from their posts and assembled at 11 a.m. at the Customs Club, where I addressed them, reading the telegram received and explaining the situation as seemed well for them to know.

The sub-port of Chinwangtao had also experienced interference at the hands of the Northern party, Mr. Simpson having demanded surrender of the revenue into his hands. Mr. Annett, Deputy Commissioner in Charge, had come up by train to seek instructions and was present at the conference the evening before. My orders received covered the closure of the sub-port also, but here lay a matter calling for exercise of some diplomacy. The question was how such a closure of the Customs might affect Marshal Chang Hsüeh-liang, Governor of Manchuria, to which this harbour is regarded by him as belonging. It was agreed between Mr. Annett and myself that the Marshal should be approached. During the night, therefore, I had prepared and despatched early through H.B.M. Consul General to the Commissioner at Moukden for the Marshal, the following telegram:—

“Owing to illegal action of local authorities in forcibly  
“seizing Customs Tientsin I have received orders, through  
“the Inspector General, from the Government, Nanking,  
“to declare the Customs closed and withdraw the entire  
“staff. This I have done as from 9 a.m. to-day. As the  
“Chinwangtao Customs comes under control of the  
“Tientsin Commissioner I have also closed that Customs  
“at the same hour. Recognising Your Excellency’s  
“interest in that port I have the honour to solicit your  
“protection for my staff there from further interference;  
“upon receiving which the Customs there shall be opened  
“again and continue to function normally under its own  
“staff. I respectfully beg Your Excellency’s consent to this.

“Bell, Commissioner of Customs Tientsin  
“and Chinwangtao.

“TIENTSIN, 20th June 1930.”

Within a few days I received a reply from the Moukden Commissioner stating that the Marshal guaranteed non-interference with the Maritime Customs at Chinwangtao. That sub-port and Customs therefore at once reopened and have continued to function since, a sub-port now of Newchwang.

From the official closing of the Customs and the withdrawal of the staff on the morning of Friday, 20th June, as above related, the Custom House remained closed until Monday, the 23rd. It was heard that a staff was being collected together composed largely of likin and tax office officials. Meantime the shipping and Customs business of the port, having stood still for some hours until the Consuls had instructed their nationals what was to be done, was resumed under a system of duty payment by guarantees from merchants to their Consuls in the case of British and Japanese shipping; in that of American, I heard, the view was taken that, the National Customs having ceased to function, the port thereby became a free one. During this time your telegrams reached me informing me (19th) that the National Government had issued orders that—

- (a) The Tientsin Customs is closed temporarily;
- (b) The Customs Staff there is to withdraw;
- (c) Cargo destined for Tientsin will be released on liquidation of all fiscal obligations (in Shanghai):

and, on the 22nd, you telegraphed that I was to inform the staff, Chinese and foreign, that any employee who secedes and serves alien administration will be dismissed and subsequently punished. You further instructed me to evacuate to Shanghai all Service-Listed employees; and you acquainted me that my action throughout was entirely approved and appreciated generally.

To Commissioner and staff alike at this time the confirmation and support conveyed in the above messages were welcome; for from this time on, the position for all became critical and perplexing. A Government Notification appeared ordering the immediate return to duty of the Chinese employees under pain of arrest and "severe punishment." The vernacular newspapers named individuals by name, calling for their instant arrest. Every form of intimidation was used upon them and their scattered families in the city by the few disloyal members that had gone over. But I have already brought to your notice semi-officially the admirable conduct of the whole Chinese staff under circumstances extremely terrifying to even the strongest minded of them. I met them daily at the Customs Club, to which the whole staff repaired every morning to sign on, for it was very necessary to watch whether any should desert to the



other Customs, now in full swing and engaging any who presented themselves, or, perhaps, disappear. When necessary I addressed them, giving them the latest news of the situation until I received a complaint from the British Consul who had received visits from the local government to say that I was "agitating." The Consul also complained because I invited those who cared to do so to come into the Concession where they would be protected from the more summary and unfair molestation of their disloyal colleagues. I was myself now a mark for the sheer malice of our opponents. Mr. Simpson sent Chinese police, and I was ordered to turn out of my residence and surrender it to him. At first I was told to turn out in a single day; with the assistance of Mr. Ogden, British Consul, this was later increased to three. I evacuated the house with my family in six days.

On Monday, the 23rd June, the Custom House was reopened to the public by the new regime with several foreign ex-Customs employees and other foreigners. For a day or two the system of Consular duty payments and vessel clearances continued. Then Mr. Simpson's regime received recognition from the Consular Body and from then our position sensibly worsened; it became necessary to try and evacuate the staff. Confidence in their own Service and the justice of their "cause" was visibly weakening, and I telegraphed to you that there was reason to fear that some of them might soon secede for the high pay and munificent promises of the other side.

Though no one had been actually molested so far, I thought it best to try and evacuate, commencing, of course, with the native staff, as there was no reason for fear in the case of the foreign employees. Inquiries at the Consulates, both British and Japanese, proved, as I had rather feared would be the case, that the foreign flag would not protect them from arrest and bringing back if they took passage in that way. I therefore proposed to you that a Customs cruiser should be sent quietly to Taku Bar and I would make arrangements to bring down the whole Chinese staff unostentatiously in a tug. In view of foreign shipping being unable to protect I did not attempt to secure the tug until the cruiser should be due at the bar, in order that as little news and warning as possible should be put about. When the time came I found that no tug-owner would now undertake the risk of displeasure of the local government. The plan had to be abandoned and the cruiser sent away before enemy action should be taken against her.

At this time I was given to understand from various quarters that movements towards some form of settlement were on foot; and this being so, the need for immediate evacuation would be at an end.

On the 30th June I received your intimation that, in order to open the way to a commencement of discussions, the British and Japanese Ministers proposed that both Mr. Simpson and myself should be withdrawn. The following day I received your instructions placing me on leave. I therefore handed over charge of the staff to Mr. Grierson, Deputy Commissioner, and left Tientsin on the 4th July. I wrote to you semi-officially reporting all the circumstances and concluded by saying that I believed that I had left matters as well placed for my successor as such a position can be.

The foregoing gives all the material facts, I believe, and omits nothing of which I have cognizance. The moral right and wrong in such a history cannot be defined. If the Northern party wins, they would be held justified in all they did. If the South, they were right and wise in holding out. In such an affair action taken excites comment and criticism derived from political opinions, local interests, and anticipations. Foreign sympathies in the North are largely pro-North in the present struggle, and many besides Chinese viewed the Customs' attitude as *ex parte* only. In the final analysis it must be said that the question is one that should have been handled at headquarters; the task was an impossible one for the Commissioner at Tientsin. If the Inspector General was unable to bring the Government to the point of coming to terms with the Northern party, how much more difficult was it for the Commissioner to reach a solution!

He could but report all the facts, submit all proposals offered, and put into effect the instructions received. That this was consistently done, the telegrams and letters which—though lost at Tientsin—will be on file at the Inspectorate, should amply prove.

I have, etc.,

F. HAYLEY BELL,  
*Commissioner.*

SUB-ENCLOSURE.

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The following are the letters from Mr. Chu Yu-chi to Inspector General through Commissioner, Tientsin. Translations by Mr. Kao Tsung-hu.

Following the view of the general public, Marshal Yen has ordered the detention, in full, of the Additional Duties collected by the Tientsin Customs. The Old Duties which have been hypothecated for the service of foreign loans will be treated as before. The Tientsin Commissioner, Bell, has been repeatedly notified through the Tientsin Superintendent to act accordingly, yet so far he has not been able to carry out Marshal Yen's order. Of course the Commissioner has to stick to his duty but he should modify it a little in order to meet the present political situation. Marshal Yen is of opinion that his order, once given, must be put into force. General Sun, an intimate friend of the Inspector General, arrived at Tientsin lately. As General Sun does not wish to see the Customs system undergo a change he has requested Mr. Chu to be a mediator to arrange a settlement of the case. Since the Tientsin Superintendent is Mr. Chu's relative Mr. Chu is quite willing to do so in order to prevent trouble.

The detention of Customs Additional Duties not only does not affect foreign loans but also meets with the approval of the public. Under present conditions it is imperative that the Inspector General should make proper arrangements just to both parties; moreover, the Inspector General should see his way for himself. If he should stick to his own opinion too firmly, the two parties would turn against each other, which would lead to trouble and not benefit the case. If Mr. Chu's proposals meet with the Inspector General's approval, a telegraphic reply is requested so that Mr. Chu may begin to offer his services.

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DEAR MR. MAZE,

I have received your telegram through Commissioner Bell and have consulted with the Authorities here in these terms. They express agreement with it. I should be glad of your further telegram telling me how to proceed with the matter. Furthermore

I beg to express my sincere respect and high esteem regarding your desire to free the Customs from political influence. For the safety of the Customs I am willing to act as mediator between yours and the Northern authorities so as to arrive at a peaceful solution.

CHU YU-CHI.

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INSPECTOR GENERAL OF CUSTOMS, SHANGHAI.

I have received your telegram through Mr. Bell, Commissioner, and I think what you say is quite right. The telegram has been transmitted to the local authorities immediately it was received by me. The authorities here have no intention to break the Customs Administration nor to use the Customs revenue. Their only wish is, as you said in your previous telegram, that both sides should not utilise the Customs revenue. Moreover, there is a possible way of compromise: the Old Revenue should be remitted as usual, as to the "New Revenue" the authorities will not interfere with it directly. The Tientsin Customs will continue to pay the obligations of the  $2\frac{1}{2}$  per cent and the Spring Festival Treasury Notes in order to maintain the credit of the Government, but the surplus\* of the "New Revenue" should be kept in Tientsin and not be remitted away. If you agree to this proposal, the matter will be settled peaceably. I think, by your so doing the Customs Administration will not be affected. Kindly wire me your opinion.

CHU YU-CHI.

\* *I.e.*, the balance of "New Revenue" after payment of the two Treasury Note issues.

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*Extract from Tientsin S/O Letter No. 824 to I.G.,  
dated 13th June 1930.*

. . . . .

Your telegraphic reply to Chu Yu-chi of the 10th was conveyed to him and he now replies again with a message intended to be also wired to you but which I persuaded the Superintendent to let me send by post. He requests, however, that you will reply to it by wire. There is nothing new in this message; merely that he suggests

once more that the balance of the New Duties, after payment of the Treasury Note issues monthly, shall be retained in Tientsin untouched by either side.

. . . . .  
F. HAYLEY BELL.

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The following provisional plan of action, prepared and laid down by me on paper about the middle of May, was shown to Mr. Grierson, Deputy Commissioner, and to M. L. Colin, Vice-Consul for France, about the same date. At the same time an emergency letter (no copy kept) to the French Consul General was prepared, kept ready in a chit book in the drawer of my desk and subsequently sent to the French Consulate at 10 a.m. the 16th June, when the Custom House was occupied. This letter was to the effect that the Custom House had been occupied by the local government by force and I requested the French Consul, as Authority for the French Concession, to send a representative round to witness officially to the act of forcible possession.

F. HAYLEY BELL,  
*Commissioner.*

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In the event of an attempt by a party of individuals, Chinese or foreign, to effect an entry into, or a forcible possession of, any Customs premises, Office or Collecting Office, the following general line of conduct will be followed.

The Commissioner, if available quickly, will interrogate the intruders as to their intentions and, having requested them to leave the building, his next step will be to close the offices concerned and to request the public to leave temporarily.

He will then send to the French Police or Consulate, as the guardians of the peace for the locality concerned, and will in their presence demand that the intruders leave the office. Should they continue to refuse or take any step of a forcible nature, he will then formally withdraw together with his entire staff, placing it upon record with the French Authorities that he has been displaced forcibly and that he is not responsible for what may follow regarding the Customs at Tientsin.

ENCLOSURE No. 3.

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*Copy of Mr. Simpson's Letter to Marshal Chang Hsüeh-liang.*

TIENTSIN, 21st September 1930.

6.00 p.m.

MY DEAR MARSHAL,

I am sending this letter urgently to you to let you know the true conditions of the Tientsin Customs and what I can produce for you in revenue at once if I can count on your immediate support to keep me in office as Commissioner of Customs with my present staff, and what I can do every month.

There is in cash now several hundred thousand dollars of revenue in the ordinary additional duties which I can turn over to you at once as soon as you appoint me Commissioner of Customs. I propose that you follow the same plan Shansi did and appoint me adviser and Commissioner of Customs in Tientsin, when I can at once draw cheques in your favour.

In addition to the accumulated new revenue our bank, the Bank of Communications, holds in the Customs funds a sum of *Hongping* Tls. 640,000 (say \$900,000) from the previous administration which the Shansi people have been pressing me to get for them, but which I refused to do. In addition there is \$350,000 from the September payment of the Russian Boxer Indemnity Account which should go for education in Peking and which Taiyüan has been telegraphing me to remit for one week, but which I refused to do. In addition, if you authorize the same excise of  $33\frac{1}{2}$  per cent on rolled tobacco (cigarette tax) which is general in China, but which Shansi has raised to 50 per cent in Hopei, leading to the closing of the British-American Tobacco Company factories in Tientsin, and the stopping of all sales, I can at once get the British-American Tobacco Company to pay in advance from \$500,000 to \$600,000 cash for stamps. Thus, in one way or another, I can produce at once for you \$2,000,000 in hard cash. Then the monthly revenue of the Tientsin Customs which you can take is the so-called new revenue which amounts to \$1,000,000 a month and sometimes more.

Now, in addition to the cash there is the very important point of the power the Tientsin Customs will give you, if you keep it in your hands, and I am your man. The Tientsin Customs is the second Custom House in China and has a total staff of 458 men

and collects in all \$26,000,000 a year. Since I assumed charge with a new staff from all over China the Chinese have much better positions and it is a true Chinese Customs House. Thus it has been a step forward for your country. We have also cleared up all the frauds and brought a new spirit, as everyone will tell you.

The Customs, under the present Inspector General, is not a Chinese institution but a semi-foreign thing which T. V. Soong uses for his own purpose. The old staff are trying to rush back and destroy all the work I have done, and declare that to-morrow (Monday) they will try to drive us out, which I will resist as they have not got your orders but are simply the slaves of Nanking. I am writing this very hurriedly with only plain details on the advices of Mukden friends who have just arrived. You know how I was always faithful to your father and how even after his death I fought for him and told the world the truth. I ask you now to help me because my reputation would be greatly ruined if Nanking, after threatening me for several months, takes this action, and I know I can be of great assistance to you and Fengtien. I await your word confidently and if you will make my appointment at once the world will understand that I have the backing of the most important man in China and that my position is assured.

I would come and tell you all this personally but I dare not leave my post for one hour for fear that something may happen.

With kind regards and best wishes for your fortune.

Yours very truly,

B. LENOX SIMPSON.

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## CIRCULAR No. 4197 (SECOND SERIES).

**Drawbacks: on foreign imports to be abolished from 1st April 1931; history of drawback procedure in China; treatment of goods for Dairen; bonding of foreign coal and fuel oil for bunker use; ships' stores; special drawbacks; I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 16th March 1931.

SIR,

1.—With reference to my circular telegram of the 2nd February:—

“ The Government instructs that as the present drawback system has led to serious malpractices the issue of drawbacks on all duty-paid foreign imports whether re-exported abroad or coastwise is to cease on 1st April 1931. Issue necessary notification at once in conjunction with Superintendent ”:

and to my circular telegram of the 7th March:—

“ My telegram of 2nd February. Issue Customs notification that applications for drawbacks will be received not later than noon on 31st March ”:

I now append, for your information and guidance, copy of Kuan-wu Shu despatch No. 4052, on which the instructions of the former telegram were based. Before going into details, however, regarding the carrying out of these instructions it will be as well for the purpose of a clear understanding of the issues involved, and also for purposes of reference, to place on record the main facts regarding China's 75 years' experience of drawbacks and the drawback system.

2.—The privilege of allowing merchants to claim drawbacks on foreign imports re-exported abroad was not conceded by the Treaty of Nanking (1842) or by any of the treaties concluded at that time. Duties were then payable immediately on import, and, as they were light and as stocks could be worked off in reasonable time, there was little necessity either for the introduction of a bonding system or for the issuing of drawbacks. The outbreak of the Taiping Rebellion, with its concomitants of banditry and piracy, so dislocated trade by holding up large accumulations of foreign imports at the treaty ports, more especially Shanghai, that merchants began to agitate for the introduction of relief measures. The credit of being the means of

Drawbacks  
not pro-  
vided for  
by Treaty  
of Nanking.



First  
granted in  
1856 at  
Shanghai  
as a special  
privilege.

Drawback  
privilege  
first em-  
bodied in  
British  
Treaty of  
Tientsin.

Restricted  
to foreign  
imports  
re-exported  
abroad.

Drawbacks  
justified, as  
no bonding  
system then  
in force.

In 1861 Sir  
Robert Hart  
not in  
favour of  
issuing  
drawbacks  
on coastwise  
shipments  
of foreign  
imports.

securing that relief belongs to the Customs Service, then in its infancy. Early in 1856, two years before the signing of the Treaty of Tientsin, Mr. H. N. Lay, at that time Inspector of Customs at Shanghai in the newly created—but then purely local—Foreign Inspectorate of Customs, persuaded the Chinese authorities to grant to merchants drawbacks, or special Duty Receipts, that might “be tendered in payment of import or export duties upon goods (*i.e.*, foreign imports) found unsaleable and re-exported to a foreign country.”\* The privilege thus voluntarily granted by the Chinese Government was subsequently embodied in the British Treaty of Tientsin (Article XLV), thereby taking on the character of a treaty right. The special clause in this article sanctioning the granting of drawbacks on duty-paid foreign imports when re-exported abroad was not incorporated in either the American or the French Treaties of Tientsin, although both of these documents contain articles governing the issue of Exemption Certificates on foreign goods moved from one treaty port to another.† By the operation of the “most favoured nation” clause, however, the advantage conceded to Great Britain became automatically available to all merchants whose Governments were in treaty relations with China.

3.—This treaty right to drawbacks, it should be noted, was at the outset strictly limited to foreign imports re-exported abroad, and the goods to be entitled to such treatment had to comply with the same conditions as then governed the re-exportation of foreign goods from one treaty port to another, that is, the goods re-exported must be the original imports, unchanged in any way, in their original packages, and bearing the same marks as at time of importation. The justification for this virtual refund of duty on foreign imports re-exported abroad was based largely on the fact that China had then no bonding system by means of which merchants could hold their goods duty free in bonded godowns until such time as they were sold or shipped elsewhere.‡ The drawbacks then issued were in the form of receipts for so-and-so much duty paid and could be used solely for the payment of future duties, either import or export.

4.—In the summer of 1861 the late Sir Robert (then Mr.) Hart, the Officiating Inspector General, visited Peking and discussed a number of Customs matters with Prince Kung, the head of the newly instituted Tsungli Yamên. Among these questions was that of drawbacks and Exemption Certificates, a question raised by the

\* B.P.P., “Further Papers relating to the Rebellion in China” (1863), p. 173.

† Treaties of Tientsin: British, Art. XLV; American, Art. XXI; French, Art. XXIV; “Treaties, Conventions, etc.,” *op. cit.*, vol. i, pp. 417, 722, 827.

‡ B.P.P., “Further Papers relating to the Rebellion in China” (1863), p. 163.

above-mentioned article in the British Treaty. Sir Robert Hart was not then in favour of extending the issuing of drawbacks to coastwise shipments of duty-paid foreign imports on account of the readiness with which such a procedure would lend itself to frauds on the revenue.\* It was agreed, therefore, that for the time being matters should remain as the treaty had left them, that is, Exemption Certificates were to be issued for duty-paid foreign imports when shipped from treaty port to treaty port, and drawbacks when such imports were re-exported abroad. Sir Robert Hart, however, was quick to perceive that, as a mere matter of justice, this drawback privilege should not be withheld from those interested in China's export trade, and so he arranged with Prince Kung that a refund of the newly instituted coast trade duty should be granted in the case of Chinese goods re-exported abroad on which the port to port export duty and coast trade duty had been paid. This decision was embodied in the Coast Trade Duty Rules issued under the orders of Prince Kung in November 1861.† These rules stipulated that, if Chinese goods are entered at a second treaty port for re-exportation to a foreign market, the amount of coast trade duty paid is to be regarded as a deposit during a term of three months. Such deposit was to be refunded to the merchant concerned when the goods in question were re-exported abroad within the three months period, an arrangement which was in effect the granting of a cash drawback. This three months period was extended in June 1863 to twelve months, and at the same time it was ordered that "the equivalent of the half-duty paid . . . shall be refunded to the merchant in the form of a Drawback Certificate,"‡ an order that cancelled for the time being the privilege of cash refund. By the close of 1861, therefore, the situation stood thus: Drawback Certificates for import duty were issuable on foreign duty-paid imports re-exported abroad and cash refunds for coast trade duty on Chinese duty-paid exports when shipped abroad.

Coast Trade Duty Rules of 1861 allow for refund of coast trade duty on Chinese produce when re-exported abroad within three months.

Three months period extended to one year in 1863, and Drawback Certificate substituted for refund of duty.

5.—The years 1861 to 1863, however, were marked by the extension of the system of the Foreign Inspectorate of Customs to practically all the treaty ports then open. Canton had been brought into the system in October 1859, and Swatow by February 1860. Thanks to Sir Robert Hart's energy, the year 1861 saw the system extended to Tientsin, Hankow, Kiukiang, Chinkiang, Ningpo, and Foochow. In 1862 Amoy was brought into line, and in 1863

\* N.C.H., No. 588, 2nd November 1861.

† I.G. Cir. No. 8 of 1861, *antea*, vol. i, pp. 6-11.

‡ I.G. Cir. No. 19 of 1863. N.C.H., No. 677, 18th July 1863: British Consular Notification of that date, quoting despatch from British Minister dated 25th June 1863.

Agitation for extension of drawback system to foreign and native goods sent coastwise.

Provincial authorities demand that foreign duty-paid imports re-exported to three northern ports should be given drawbacks.

Drawback privilege extended to coastwise shipments of native goods.

Chefoo, Tamsui, and Takow.\* This expansion led to unification of procedure at all the ports in Customs office work and activities, and also naturally to demands from the trading community for facilities which they considered warranted by the letter or the spirit of the treaties. In particular, drawbacks and Exemption Certificates came in for a great deal of attention. The manifest advantage of the drawback system soon induced merchants to agitate for its extension (1) to foreign duty-paid imports when re-exported from one treaty port to another, and (2) to native goods, on which coast trade duty had been paid, when re-exported to another treaty port.† One of the main reasons urged by the merchants for desiring drawbacks on duty-paid goods when re-exported coastwise was in order that the Chinese authorities at each port should "receive the duties attaching to the trade of their own locality,"‡ a reason based on the opposition at that time shown at some ports by the provincial authorities to the revenue-centralising tendencies of the newly established Foreign Inspectorate of Customs. This opposition was especially marked at Tientsin, where large vested interests in the Customs revenue had been deranged by the new order of things.§ It is not surprising, therefore, that in February 1863 the Officiating Inspector General found it necessary to issue orders that Exemption Certificates on foreign duty-paid imports when re-exported to Chefoo, Tientsin, or Newchwang were no longer to be issued and that drawbacks were to be given instead. At the same time, carrying to its logical extreme the principle of protecting the local port revenue, he instructed that the privilege of granting drawbacks should be extended also to the coast trade duty in the case of native goods re-exported to one of the three northern ports.|| This marks the officially recognised beginning of drawbacks on goods, either foreign or native, when carried coastwise, although at first the privilege was confined to goods shipped from a treaty port to one of the three northern ports. Such a privilege was speedily claimed for other ports, and in April and May of that year we find both Customs and British Consular notifications issued at Shanghai informing merchants that Exemption Certificates would no longer be issued and that drawbacks would be given instead.¶ All merchants, however, did not want drawbacks,

\* B.P.P., "Foreign Customs Establishments in China," China No. 1 (1865), pp. 5 and 6.

† B.P.P., "Further Papers relating to the Rebellion in China" (1863), p. 173.

‡ *Ibid.*, p. 169.

§ B.P.P., "Further Papers relating to the Rebellion in China" (1863), p. 169; also "Foreign Customs Establishments in China," China No. 1 (1865), p. 5.

|| I.G. Cir. No. 12 of 1863, *antea*, vol. i, p. 28.

¶ N.C.H., No. 665, 25th April 1863; British Consular Notification of 22nd April 1863; and No. 670, 30th May 1863; Shanghai Customs Notification of 28th May 1863.

especially as at that time these documents were not encashable and could be used only for payment of duty at port of issue. The difficulties, too, with the Tientsin authorities, who were directly under the influence of the neighbouring capital, were so far overcome that by August that year Prince Kung was in the position to give orders that, in the future, merchants re-exporting foreign duty-paid imports from one treaty port to another, the northern ports included, should be at liberty to choose either a drawback or an Exemption Certificate,\* a general permission which, with the special exception of duty-paid imports reshipped to Dairen, holds good to this day. In the same year, about two months before sanctioning the above measure, the Tsungli Yamên had further decided that, in order to encourage trade, the drawback privilege should be extended also to native goods, on which coast trade duty had been paid, when re-exported from one treaty port to another. This decision gave merchants the right, therefore, to claim drawbacks for the coast trade duty on coastwise shipments of native goods re-exported to any treaty port on the coast, and not merely to the three northern ones. The Yangtze River ports were specially excluded from this privilege; but native goods coming from one of these ports to Shanghai and subsequently reshipped from there to a coast port were to be covered by a special Shanghai Certificate of Reshipment entitling the goods to drawback at original port of shipment.†

Special drawback arrangement for goods from Yangtze River ports.

6.—By the close of 1863, therefore, the principal historical facts of the case stood thus. The issue of drawbacks was first granted as a privilege in 1856 by the Chinese authorities at Shanghai in the case of duty-paid foreign imports re-exported abroad, the Drawback Certificates issued being valid only at port of issue for the payment of duties. This privilege became a treaty right by the British Treaty of Tientsin (1858); but this right did not confer any title to payment of such drawbacks in cash, nor did it hold good for foreign imports when re-exported coastwise. In November 1861 the Chinese authorities, again of their own free will, granted to merchants declaring duty-paid native exports for re-export abroad the privilege of refund in cash of the coast trade duty, provided such goods were actually so re-exported within three months of declaration. Then in 1863 followed (1) a modification of this latter privilege by which the time limit for re-exportation was extended to twelve months, while refund in cash was withdrawn and replaced by Drawback Certificate; (2) the extension, once more as an act of grace on the

Résumé of drawback position at close of 1863.

\* I.G. Cir. No. 20 of 1863, *antea*, vol. i, p. 32.

† N.C.H., No. 675, 4th July 1863; Shanghai Customs Notification of 4th July 1863.

Drawback privileges acquired by 1863 embodied in subsequent treaties.

part of the Government, of the drawback privilege both to duty-paid foreign imports and to duty-paid native exports when carried coastwise to any one of the three northern ports; and, finally, (3) the completion of this partial extension by making the privilege available for all duty-paid goods, Chinese or foreign, when re-exported coastwise from one treaty port to another without exception. By treaties signed in 1863 and afterwards all these privileges acquired the status of treaty rights, as may be seen from Articles XLIV and XLV of the Danish Treaty of Tientsin (1863), Article X of the Netherlands Treaty of Tientsin (1863), Articles XLI and XLIV of the Spanish Treaty of Tientsin (1864), Articles XXXIV and XXXV of the Belgian Treaty of Peking (1865), Articles XLIV and XLV of the Italian Treaty of Peking (1866), and Articles XXX and XXXI of the Austro-Hungarian Treaty of Peking (1869).

Negotiations re fixing time limit after date of importation within which drawback could be claimed.

7.—From 1863 to 1876 no change took place in drawback procedure, but malpractices in connexion with the use of Drawback Certificates began to show themselves. Substitution of goods for those originally imported was the most usual abuse, and to put a check on this it was suggested that a time limit, dating from day of importation of the goods concerned, should be set within which a drawback could be claimed and on expiry of which no drawback would be issuable. The Treaty of Tientsin had imposed no such limit; but in 1859–60 Sir Frederick Bruce, then British Minister and Plenipotentiary, consented to limit the term within which a drawback might be claimed on duty-paid imports to twelve months.\* This was regarded by merchants as an undue restriction, and agitation against it was unceasing, an agitation which was reflected in the Austro-Hungarian Treaty of Peking (1869), when a clause was added to Article XXXI to the effect that the Dual Monarchy would be willing to agree to any such defined time limit as soon as all the other Powers would also signify acceptance. Great Britain led the way by including in the Alcock Convention, signed 23rd October 1869, an article (XI) fixing this time limit at three years and stipulating that drawbacks for imports re-exported abroad within three months of importation should be convertible into cash. This Convention was not ratified; but in the Chefoo Agreement, signed seven years later (13th September 1876), a clause was inserted (Section III, (v)) agreeing to a term of three years within which a drawback might be claimed upon duty-paid imports. Sir Thomas Wade had also proposed during the negotiations preceding this Agreement that drawbacks for import duty should be redeemable

Time limit of three years fixed by Chefoo Agreement.

\* B.P.P., China No. 3 (1882), p. 62.

in cash, but Li Hung-chang, then Grand Secretary, was strongly opposed to such a concession.\* One by one the other Powers acquiesced in the three-year limit, the last to agree being Germany. The Government, accordingly, through the Inspector General, gave orders that from 13th February 1877 drawbacks on foreign duty-paid imports that have been three years in China are not to be issued. The price of this agreement was that, in the case of any Drawback Certificate issued after that date, the merchant was to have the option of using it either for the payment of duties or of exchanging it for ready cash. To safeguard this privilege of exchange for cash a merchant desiring to receive cash for his Drawback Certificate was obliged to have it sealed and signed by the port Commissioner before the Customs Bank would honour it.†

For acquiescence in this three-year limit the Powers obtain concession of cash drawbacks for foreign imports.

8.—This advantage of receiving cash payment for a Drawback Certificate was, it should be remembered, strictly confined to drawbacks on duty-paid imports re-exported to a foreign country. The concession speedily brought about two consequences. Firstly, it raised the question of the advisability of introducing at the ports a uniform system of recording and accounting for drawbacks issued, both cash and ordinary;‡ and secondly, it led to the request, put forward by the American Minister, that all drawbacks, not simply those for import duties, might be made payable in cash at the holder's option.§ The discussion of the accounts treatment of drawbacks, and of how the amounts they represented were allowed for or deducted, showed that there was no absolute uniformity of practice at the ports in this respect. There was, however, sufficient agreement for the Inspector General to decide that it was not worth while for mere uniformity's sake to alter the practice at individual ports, seeing that such practice had been years in operation, was well understood, caused no mistakes, and differed from practices at other places merely to the extent that local peculiarities demanded. To enable a record to be kept of all drawbacks issued, both ordinary and cash, each port was instructed to institute a Drawback Register, in which full details were inserted of each drawback when issued, while, to provide statistics illustrating the demand for cash drawbacks and their effect on the total revenue collected, instructions were at the same time issued for the insertion of notes in the revenue and the trade returns indicating the number and value of the drawbacks

Introduction of cash drawbacks necessitated revision of drawback accounts system.

\* *Ibid.*, p. 63.

† I.G. Cir. No. 11, Second Series, *antea*, vol. i, pp. 363–365.

‡ I.G. Cirs. Nos. 110 and 122.

§ I.G. Cir. No. 216.

American Minister's request in 1883 that all drawbacks be payable in cash.

marked quarterly and yearly for cash payment. The American Minister's request in 1883 that all drawbacks might be made payable in cash at the holder's option raised anew the drawback question, and in submitting this proposal to the port Commissioners the Inspector General asked for opinions, more particularly in regard to the cashing of coast trade duty drawbacks. When replying to this Circular Mr. (afterwards Sir) John McLeavy Brown,\* who was then Commissioner at Amoy, threw out the suggestion that—

Mr. McLeavy Brown's opinions on procedure to be adopted if all drawbacks are payable in cash.

“Our present system of receiving drawbacks issued under one heading in payment of duties under another makes our Revenue table an incorrect statement of the duties paid.”

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\* John McLeavy Brown was born on the 27th November 1835 at Magheragall, Lisburn, Co. Antrim, and was educated at Queen's College, Belfast, and Trinity College, Dublin. He graduated B.A. from the Queen's University, but did not receive his degree till 1868, when he was in Europe with the Burlingame Mission. In the meantime he had in 1861 secured an appointment as Student Interpreter in the Consular Service for the Far East, and had made such advance in the study of Chinese that in 1864 he was appointed Assistant Chinese Secretary at the British Legation in Peking. In 1867 he was for a short time in charge of the Legation, and in November of that year was appointed Secretary to the special mission sent by the Chinese Government to all the courts of the world under Mr. Anson Burlingame as Ambassador Extraordinary. On the return of the mission to China at the end of 1870 Mr. Brown resumed duty at the British Legation as Chinese Secretary, a post which he held during 1871 and 1872. In April 1873 he joined the Customs Service as a First Class Clerk, and in the following year was appointed Deputy Commissioner at Canton. After having been in charge at Takow in Formosa he was promoted Commissioner in February 1877, and as such served at Chinkiang, Canton, and Shanghai, at which latter port he acted for a time as Statistical Secretary. He went on long leave in January 1880, and before his return in August 1882 had added to his scholastic honours by graduating B.A. and LL.B. at Dublin University (1881), and by being called to the Bar as Barrister-at-Law of the Inner Temple (1882). From August 1882 till April 1888 he was in charge of Amoy, after which he again proceeded on furlough, taking in the autumn of the latter year the LL.D. degree at Dublin. On his return he was appointed to Kowloon, where he held charge from April 1890 till July 1893. He was then detached to succeed the late Mr. J. F. Schoeniche as Chief Commissioner of the Korean Customs and Financial Adviser to the King of Korea. He held this post through all vicissitudes for practically twenty years, witnessing such events as the China-Japan War of 1894-95, the declaration of Korean independence, the growing rivalry between Russia and Japan in Manchuria and Korea, the Boxer uprising in North China and the advantage taken of this by Russia to push her interests in Manchuria and Korea, the Russo-Japanese War of 1904-05, and the annexation of the country in August 1910 by Japan. During his incumbency of the double post of Chief Commissioner of Customs and Financial Adviser, Mr. Brown did much to counteract Russian intrigue and to protect Korean interests. After his retirement in December 1913, Mr. Brown was appointed Counsellor to the Chinese Legation in London, a post which he held till his death on the 6th April 1926. He was created C.M.G. in 1898 and Knight Bachelor in 1906. From the Chinese Government he held Civil Rank of the 3rd and 2nd Classes; the Order of the Double Dragon, 2nd Division, 2nd Class; the Order of the Chia Ho, 2nd Class; and Pao Hsing of the 1st Class. Japan decorated him with the 1st Class of the Order of the Sacred Treasure, and Korea with the 1st Class of the Order of the Tai Kuk. He was also Commander of the Order of Charles III of Spain; Chevalier of the Order of the Danebrog, Denmark; Chevalier of the Order of Leopold, Belgium; and Chevalier of the Order of St. Maurice and St. Lazare, Italy.

He then proceeded to state that in his opinion—

“The strictly correct way to meet the difficulty would seem to be to treat all drawbacks as cash at the time of paying in, including their amount in the receiving account and deducting the same sum from the account under which they were originally issued. . . . The question of cashing drawbacks is really only a question of accounts. It is obvious that in the long run it cannot affect the amount of revenue collected whether they are redeemed in cash or accepted in lieu of duty. . . . The solution of the question which I would suggest as the one likely to meet most of the difficulties is, that all drawbacks should be payable in cash at the option of the holder, but that whether the holder desired cash for them or not, when handed into the bank they should be treated as cash, that is their amount should be added as so much cash received to the receiving account, and not as now not reckoned in at all, that is in effect deducted from the receiving account, and the same sum deducted if not from the original head of issue then from the gross collection of the day as is now done with cash drawbacks.”\*

Whether it was owing to Mr. McLeavy Brown's suggestion or to similar suggestions from others is a matter of little moment, but certain it is that in the same year (1883) the Inspector General sent out instructions that, commencing from 1st January 1884, drawbacks were to be received indiscriminately—

“In payment of all kinds of dues and duties controlled by the Commissioner's office, and may similarly be indiscriminately marked by the Commissioner to be cashed if not desired to be used for paying duties.”†

The Circular conveying these instructions also intimated that, in view of this indiscriminate cashing of drawbacks, beginning from 1st January 1884, a new system was to be introduced of taking account of drawbacks used in payment of duty by which the amount of any drawback so used was to be added to the receiving account and at the same time deducted from the account under which it was originally issued. For this purpose, in addition to the registers for drawbacks issued and drawbacks cashed, two new ones were to be kept, one for drawbacks to be deducted from revenue accounts and

Introduc-  
tion from  
1st January  
1884 of  
“add and  
deduct”  
system of  
accounting  
for draw-  
backs.

\* Amoy to I.G. No. 133, dated 18th July 1883.

† I.G. Cir. No. 231.



the other for drawbacks to be added to revenue accounts. Subsequent instructions summarised the procedure to be adopted in introducing the new system, described the various documents and registers required, and gave minute directions both for Customs Assistants and Customs bankers how drawbacks accounts were to be kept.\* This new system, however, was launched only to be speedily withdrawn, as it was found to be quite impracticable at the Yangtze ports, where the authorities refused to allow drawbacks on native produce to be cashed. Accordingly, in February 1884 orders were issued that all those Custom Houses which had introduced the new system were to revert to the old one—

Abolition in February 1884 of "add and deduct" system and reversion to issue of cash drawbacks on foreign imports only.

"That is to say, the only drawbacks to be cashed are foreign goods drawbacks; others can be used in no other way than in making duty payments of their own category."†

Experience at Amoy, where this "add and deduct" system was allowed to persist till 1905, proved conclusively that the system was not only wasteful of clerical labour but also quite inaccurate from an accounts point of view.‡

9.—The year 1888 saw a further development. Up to that year Drawback Certificates issued for Yangtze coast trade duty deposits could never be cashed nor be used for other than coast trade duty payments, but as a result of representations made through the Legations the Tsungli Yamèn finally agreed that from 1st July 1888 drawbacks issued for Yangtze coast trade duty deposits should be received in payment of all kinds of duty at the respective Custom Houses on the Yangtze.§ A still further extension of the duty-paying uses of native produce drawbacks, coupled with a limitation, was made in 1901, when the Wai-wu Pu decided that from 1st July that year such drawbacks might be received in payment of duties of all kinds except tonnage dues.|| The drafting of the various commercial treaties at the opening of the century afforded the opportunity of embodying these various privileges in treaty stipulations. Accordingly, we find the first article of the Mackay Treaty (1902) stipulating that all Drawback Certificates "shall be valid tender . . . in payment of any duty upon goods imported or exported (transit dues excepted)" and that drawbacks for foreign imports should be payable in cash. The same article also stipulated

From 1st July 1888 drawbacks issued for Yangtze coast trade duty deposits usable for payment of all kinds of duty.

Mackay Treaty. all drawbacks valid tender for any duty except transit dues.

\* I.G. Cir. Nos. 255 and 260.

† I.G. Cir. No. 270, *antea*, vol. i, p. 491.

‡ Amoy to I.G. No. 4018, dated 29th December 1905.

§ I.G. Cir. No. 412.

|| I.G. Cir. No. 974.

that thenceforward, to avoid delay, drawbacks should be issued direct by the Customs without the mediation of the Superintendent.\* A similar article (VIII) is to be found in the American Commercial Treaty of 1903, which, however, contains this noticeable difference, that the only form of duty which could not be paid with Drawback Certificates was declared to be tonnage dues, not transit dues, as in the British Treaty.

American Treaty, 1903: all drawbacks valid tender for any duty except tonnage dues.

10.—Such are the main facts in the history of drawback procedure in China up to the recent signing of the Tariff Relations Treaties. It is in brief the story of privileges conferred by the Chinese Government, either on its own initiative or under pressure from interested foreign Powers, and of these privileges being converted at the first opportunity into treaty rights by the Powers concerned, only to be followed by demands for further privileges which likewise in turn hardened into treaty rights. Nowhere in the world has there existed a more liberal drawback system than in China, and probably nowhere in the world has there been such flagrant abuse of the privileges granted. Before the existence of the Inspectorate of Customs Mr. H. N. Lay states that “merchants could smuggle a consignment of cotton goods into port, fill the cases with tea in place of the cotton goods, ship these as cotton goods re-exported, and obtain a drawback for the import duty on the cotton goods that had never been paid.”† One of the purposes of the instituting of the Customs Service was to put a stop to such gross frauds on the revenue, and to a large extent the Service in this respect has fully justified its creation. The devices of men led by the lure of illicit gain are, however, not always easily outwitted, and in spite of all precautions—chief among which was the Shanghai “Pass system,” instituted as far back as 1871‡—the drawback procedure has been made use of by dishonest traders, aided in some cases by equally dishonest Customs underlings, to practise the most flagrant swindles. In the 70 odd years of its existence it is probably no exaggeration to say that by one or other abuse of the drawback privilege the revenue has been defrauded of millions of taels. Passes have been altered clandestinely so that they might be used a second or a third time for drawbacks on consignments of goods not originally covered. Applications, after having been passed for drawback and entered in the register of one broker, have been surreptitiously removed, the name of another broker substituted, and the goods in question entered again for drawback in the register of the second

Abuses of drawback system.

\* *Vide* also I.G. Cir. No. 1094.

† B.P.P., “Further Papers relating to the Rebellion in China” (1863), p. 175.

‡ I.G. Cir. No. 289.

broker, thereby contriving the issue of two drawbacks in full for the same cargo. In such cases, of course, the two brokers represent the one and the same person masquerading under two hong names. Actual substitution of cargo, however, was, and is at time of writing, by far the most common fraud practised in connexion with drawbacks. Hardly a day passes in which it is not attempted, and it is an open secret that certain firms of brokers rely on this fraudulent practice for the greater part of their income. Recently, for example, a broker applied for the re-export of a consignment of expensive woollen piece goods to Hongkong, the drawback on which amounted to over *Hk.Tls.* 18,000. Investigations revealed that the original piece goods for which drawback had been granted had been consumed in the port of importation, other piece goods had been substituted, and then, after examination for re-export, the cases containing the substituted goods had been removed and replaced by cases with similar marks and of like weight. In another recent instance it was found that some of these replacing cases contained nothing but broken bricks, stones, and similar rubbish. The free-port status of Hongkong and of the Leased Territory at Dairen has also afforded facilities for frauds on the revenue through abuse of drawback privileges, the only remedy for which is the abolition of the drawback system as it now exists.

Recent  
Tariff  
Relations  
Treaties re-  
trocede to  
China full  
authority to  
deal with  
drawbacks.

11.—Fortunately, the ratification of the various recent Tariff Relations Treaties and Preliminary Treaties of Amity and Commerce affords China at last the opportunity not only of putting an end once and for all to these drawback frauds on revenue, but also of introducing, whenever it may suit her purpose, a drawback procedure that shall fit in with the Government's declared policy of strengthening and developing China's domestic industries. In form and wording these treaties fall roughly into two groups. The first group includes those which embody a specific declaration that all provisions of treaties hitherto concluded and in force relating to rates of duty on imports and exports of merchandise, drawbacks, transit dues, and tonnage dues shall be annulled and that the principle of complete tariff autonomy shall apply. To this class belong the treaties with the United States of America, Norway, the Netherlands, Sweden, France, and Japan. The treaties of the other class do not specify by name drawbacks and the various dues and duties connected with the tariff, but contain a general declaration, variously worded, but to the effect that, as regards the Customs Tariff and all matters related thereto, the two contracting parties are on a footing of perfect equality, and on the basis of this principle the parties agree that such matters shall be regulated exclusively by their respective national

laws. In this class may be included the treaties with Germany, Belgium, Italy, Denmark, Portugal, Great Britain, and Spain. Beyond all question, drawbacks are a matter related to the Customs Tariff, so that the omission of any specific reference to them in the Tariff Treaties with these latter countries in no way restricts China's right to modify or abolish her present drawback procedure, provided the modification or abolition is applicable equally to the nationals of all countries, and on the understanding that the countries concerned are at liberty to adopt a like procedure in their treatment of Chinese goods. The signing of these Tariff Relations Treaties retroceded to China complete freedom of action in all tariff matters, and by virtue of this the Government had no hesitation in issuing the instructions, conveyed in my telegram of 2nd February, abolishing from 1st April all drawbacks on foreign imports. On and after 1st April, therefore, foreign goods may no longer be declared for drawback and must be declared either for bond or for payment of duty. If for payment of duty, they may be consumed at port of importation, or, if the merchant so desires, they may be sent under Exemption Certificate to another treaty port, provided, of course, that the goods remain unchanged in their original packages. If such duty-paid goods are re-exported abroad, the merchant concerned is not entitled to any refund of the import duty paid, although, of course, such goods, being duty-paid foreign imports, will go out free of export duty. The merchant has no reasonable ground of complaint here. He has had ample warning of the abolition of drawbacks, and, if he wishes to protect his goods from payment of import duty on the chance of their having later to be re-exported abroad through non-sale, he has all the privileges of bonding open to him. Bonded goods may naturally be re-exported abroad free of all import duty.

Foreign imports in future may be declared either for bond or for payment of duty

12.—This abolition raises certain practical issues, prominent among which are (a) the duty treatment of foreign duty-paid imports re-exported to Dairen and (b) the procedure to be adopted in the case of foreign duty-paid coal and oil when shipped for bunkers. As the Leased Territory at Dairen was to be a free area, it was stipulated by Article 9 of the Agreement about the Establishment of a Maritime Customs Office at Dairen (signed 30th May 1907) that the import duty paid on foreign goods at any treaty port shall be refunded by drawback when these goods are re-exported to Dairen.\* This arrangement now stands annulled, while the duty-free status of the Dairen Leased Territory remains, of course, unimpaired. To meet this situation a special procedure is being arranged, full

Drawbacks on duty-paid foreign goods re-exported from a treaty port to Dairen abolished.

\* I.G. Cir. No. 1439, *antea*, vol. ii, pp. 575-586.

details of which will be announced in due course.\* No doubt the complaint will be urged that foreign goods which have paid duty at a Chinese treaty port will no longer enjoy duty-free entry into the Dairen Leased Territory and that such goods, therefore, will be at a disadvantage compared with similar goods which have been shipped direct from abroad to Dairen and which have thereby escaped the Chinese import duty. To this it may be replied (1) that Article I of the Agreement concluded in May last year between China and Japan specifically states, *inter alia*, that in the territory of China drawbacks shall be regulated exclusively by the laws of China; (2) that foreign goods brought to a Chinese treaty port and intended for Dairen may, by the recently enacted Bonding Regulations,† be placed in bond at the treaty port of entry and be shipped in bond to Dairen, and thus avoid payment of import duty to China; (3) that those who object to this bonding procedure are at liberty to ship their goods direct from abroad to Dairen; and (4) that, if there had not been such gross abuse of the drawback privilege, China would not have withdrawn it.

Foreign  
bunker coal  
for use  
coastwise to  
pay duty;  
for use on  
ocean-going  
vessels  
bound for  
abroad to  
be passed  
free if taken  
from bond.

13.—The second large issue involved in the abolition of drawbacks on foreign imports when re-exported abroad or coastwise is the treatment of foreign coal and fuel oil when shipped for steamer use. The issue of drawbacks for the import duty on foreign coal so used is a privilege which has been in force for the past 60 years,‡ and on the introduction of fuel oil as a source of power for steamer use a similar privilege was extended also to that article.§ Strictly speaking, the privilege should have been confined to ocean-going steamers bound for foreign countries, thus practically restricting refund of duty to foreign coal and fuel oil when consumed by vessels outside Chinese territorial waters. The granting of it to steamers engaged in the coasting trade was an anomaly, the goods on which the drawbacks were granted being consumed within Chinese territory and therefore liable to duty. This anomalous procedure was recognised in the case of vessels plying under Inland Waters Steam Navigation Regulations, which were not allowed drawbacks on foreign coal and fuel oil consumed, precisely on the ground that consumption took place within Chinese territory.|| This is clearly the principle on which action should now be based in regard to the duty treatment of foreign coal and fuel oil when shipped at a Chinese

\* This procedure will be found in I.G. Cir. No. 4230, *postea*, vol. iv, p. 463.

† I.G. Cir. No. 4093, *antea*, vol. iv, p. 296.

‡ I.G. Cir. No. 56 of 1875; Nos. 39 and 159, Second Series.

§ I.G. Cir. No. 2105.

|| I.G. Cirs. Nos. 1734 (B. 245), 1761 (A. 327), and 2105.

treaty port for steamer use. If such coal and oil are for the use of coasting vessels plying between Chinese ports and such ports as Dairen and Hongkong, or taking in these ports in their regular coast routes, full duty is to be levied; but, if such coal and oil are for the use of ocean-going vessels bound for foreign countries, duty is not leviable. To secure the advantage of this latter remission when drawbacks are abolished the shipping companies concerned will have to make arrangements, acceptable to the Customs, for the bonding of coal required for bunkering ocean-going vessels. This subject of bonding coal for steamer use has been very carefully considered by the Shanghai Commissioner and his staff, and the conclusions he has come to are cited below for the guidance of other ports which are faced with a like problem:—

Rules for  
bonding of  
foreign  
coal for  
bunkering  
purposes.

- (1) Shipping companies which possess private or leased wharves may set aside a section of these premises for the open-air bonding of foreign bunker coal.
- (2) The section set aside for the bonding of coal must consist of a walled yard, the only access to which shall be from the company's wharf. The construction of the yard and access thereto must be in full conformity with Customs regulations.
- (3) The regulations governing the working of goods in bond shall, unless otherwise specifically provided for, apply to bonded coal yards.
- (4) Vessels, other than the company's own, may coal from such coal yards, but in every instance the bonded company alone shall be held responsible by the Customs for the complete observance of Bonding Regulations.
- (5) Coal companies may also set aside sections of their premises for the open-air bonding of foreign bunker coal. These premises shall conform to Customs requirements as set forth in Article (2) above.

It should be borne in mind that the above procedure applies solely to foreign coal. Native duty-paid coal used for bunkering purposes continues to enjoy the drawback privilege. Fuel oil does not present the same difficulties as coal, seeing that it either is already or can be stored in a bonded tank, from which it can be pumped either direct into the tanks of the ocean-going vessel concerned or, if need be, into specially supervised lighters for conveyance to the vessel in question. Such bonded fuel oil when used for bunkering ocean-going vessels bound for foreign countries is to be passed free

Fuel oil for  
bunkering  
ocean-going  
vessels  
bound for  
abroad to  
be passed  
free if taken  
from bond.

Vessels discharging into bond or loading from bond foreign coal or fuel oil for bunkers may work continuously on nights, Sundays, or holidays.

of duty. The granting of this facility of bonding foreign bunker coal and fuel oil for the use of ocean-going steamers will, in order to obviate demurrage, necessitate in the case of these goods a modification of Rule 8 of the General Bonding Regulations, which restricts the working of bonded warehouses to Customs examination hours, that is, to the hours between 8 a.m. and 5 p.m. on Customs working days, while on Sundays and holidays no such working is permitted except for bulk oil in the restricted manner authorised by Rule 7 of the Regulations for Bonded Tanks and Warehouses for Petroleum Oils. As an exceptional privilege, therefore, vessels either discharging into bond or loading from bond foreign coal or fuel oil for bunkering purposes may be permitted to work continuously, irrespective of nights, Sundays, or holidays, on payment of the usual fees charged for Customs supervision.

Ships' stores for use coastwise to pay duty; for use on ocean-going vessels bound for abroad to be passed free if taken from bond.

14.—In the duty treatment of ships' stores China has always erred on the side of liberality. In the early days, thanks to the absence of any mention of this subject in the Nanking and Hoomun Chai Treaties and Tariff, masters and shipowners were not infrequently at loggerheads with the Customs on account of the preposterous claims made by the former for the duty-free treatment of goods which they declared to be ships' stores.\* The Rules of Trade appended to the Treaty of Tientsin placed such stores on the duty-free list, a decision which naturally conferred the drawback privilege on such stores of foreign origin when purchased in China out of duty-paid stock. That privilege, which too often has been grossly abused, is now cancelled; but in this matter the same treatment can be extended to such stores as to foreign coal and fuel oil for bunker use. That is to say, stores of foreign origin for use on coasting vessels are not entitled to drawback, but such stores when shipped out of bond for use on ocean-going steamers bound for foreign countries, or for foreign naval vessels, may be passed free of duty. Shipping companies, acting as agents for these ocean-going vessels, or foreign naval vessels should be notified that it is to their interest to keep such stores in bond, as drawbacks are not issuable on duty-paid stores purchased locally.

Special drawbacks.

15.—Drawbacks for duties on native goods are to continue to be issued in accordance with existing regulations, as are also special drawbacks, the only two forms of which affecting foreign imports, so far as the general public is concerned, are (a) for short-landed goods on which duty has been paid and (b) for excess duty paid by

\* B.P.P., "Further Papers relating to the Rebellion in China" (1863), pp. 171 and 172.

error in assessment or calculation. Application for the issue of a special drawback must be made by letter addressed to the Commissioner, giving all details necessary for the full investigation of the case. Stores purchased locally for Customs official use are to continue to enjoy the drawback privilege.\*

Drawbacks  
on Customs  
official  
stores.

I am, etc.,

F. W. MAZE,

*Inspector General.*

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\* *Vide* I.G. Cir. No. 4001.



## ENCLOSURE.

財政部關務署訓令則字第四〇五二號 中華民國十九年十二月十七日

令總稅務司梅樂和

爲令行事查現行退稅存票制度施行以來流弊滋多茲經部規定凡已照完稅項之進口洋貨復運出口

無論運往何處自二十年四月一日起概不退稅發給存票此後運商如欲享受暫免繳稅之利益者得按

關棧辦法存入關棧藉資利便除已由部通令各海關監督外合行令仰遵照此令

## CIRCULAR No. 4200 (SECOND SERIES).

Salted or fresh fish: importation of, except under bill of lading by *bona fide* merchant vessels, to be prohibited from 1st May 1931; ruling not to apply to Chinese fishing vessels, which, after above date, are to be released only on production of fishing licence issued by Shih-yeh Pu or local authorities; instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 27th March 1931.

SIR,

With reference to Circular No. 4166:\*

Instructing, *inter alia*, that foreign-flag trawlers of less than 100 register tons are no longer to be permitted to enter Chinese ports either from abroad or from the open seas:

I circulate, for your information and guidance, copy of Kuan-wu Shu despatch No. 4687, from which you will see that the Government issues instructions that, beginning from the 1st May 1931, the importation of salted or fresh fish, except under bill of lading by *bona fide* merchant vessels from a foreign port, shall be prohibited; that this ruling is not to apply to the catches of Chinese fishing vessels; but that, in order to prevent foreign fishing vessels from fraudulently flying the Chinese flag, Chinese fishing vessels, on or after the above date, are to be released by the Customs only on production of a fishing licence issued by the Shih-yeh Pu or the local Chinese authorities. It is to be noted, however, that coastwise shipments of salted or fresh fish under proper bill of lading are to continue to be allowed importation.

You are requested to act accordingly and to issue a notification in consultation with your Superintendent.

A telegram to this effect has been sent to all the coast ports.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. iv, p. 354.

## ENCLOSURE.

財政部關務署訓令政字第四六八七號 中華民國二十年三月十九日

令總稅務司梅樂和

爲令行事前奉

部長發下實業部密咨一件內開本部爲日本漁船在江浙海面捕魚曾擬具禁止辦法二端提請國務會議公決現奉

行政院第六六一號密令開提案悉此案經提出本院第十四次國務會議決議辦法通過等因仰卽知照並由該部分咨外交財政兩部查照辦理可也此令等因奉此相應檢同原提議案咨請貴部依照決議辦法令飭各海關遵辦仍請將辦理情形咨復過部等因附送原提議案一件准此當以原提議案第二項所定由本部嚴飭海關此後凡非由正式商船確從外國口岸運來之鹽鮮魚類而有提單足資證明者不得視爲商品一概禁止報關起岸辦法對於我國漁船是否不受此項限制及外國漁船冒掛我國國旗應如何加以取締均未准明確規定應請再行分別詳明釐訂以期周密而便執行等語咨請實業部查核辦理在案茲准實業部咨開查第二項係專指國際通商而言故列有外國口岸字樣我國漁船當然不受此項限制如果外國漁船冒掛華旗希圖朦混海關應於該漁船報稅時查驗其船籍證書及讓渡契約并買賣當時有無向海關繳納船舶輸入稅本部所給漁業執照或地方主管漁業行政廳局之臨時許可證等卽

可證明若無上項文件可以呈驗即係確屬冒充應予扣留罰辦此爲稽核現在冒挂華旗船之辦法至嗣後漁船到關請領臨時航行證時不問其有無冒籍嫌疑即確屬我國之漁船海關應先令其將本部所給漁業執照或地方主管漁業行政廳局之臨時許可證呈驗後方可准其出入准咨前因除咨交通部外相應咨復即請查照轉飭遵辦等因過部查此項辦法既經實業部明晰規定應自本年五月一日實行除分飭各關監督轉飭該關稅務司遵辦外合亟抄錄原提案令仰該總稅務司遵照此令

#### 計抄原提案一件

爲提議事查江浙附近海面時有日本漁船往來捕魚並以上海爲漁船停泊及漁獲物銷售之地迭准浙江省政府上海市府咨商並據漁業團體呈請設法制止職部以爲日本大批漁船在我國海面肆行捕魚我國漁民難與競爭影響漁業固不爲小而該漁船停泊上海儼然以我國領土爲其漁港侵害主權關係尤大前據上海市商會電請前工商部設法救濟經職部召集關係部會商辦法當時議決以規定領海一案前奉

國府密令俟大局定後再議現大局已定應繼續前案進行會同呈請

鈞院核辦在案惟漁船捕魚遠在領海之外若爲防止外船侵漁僅持劃定領海仍屬無濟於事因領海界線學說

不一而普通均以國境最外島嶼低潮水線推出三海里爲準在此近岸範圍內魚類極少我國舊式漁船多遠在四五十海里至數百海里處捕魚亦即任何國船可以入漁之處故必顧全到領海附近我國漁船常到之公海方可收效又財政部爲防止走私起見曾經呈准

鈞院禁止百噸以下之船航行我國口岸與外洋之間前項日本漁船均在禁止之列雖經日使館請求除外財政部尙未允許設此種禁令行之有效日本現泊上海之漁船均在百噸以下似可藉令退出惟查日本長崎門司尙有英式拖網漁船大自二百噸至三百噸左右將來難保不此去彼來若僅持關章實不足以防制於永久茲爲根本解決此案計擬具辦法二端

一由外交部向日使嚴重抗議根據中日並未締結漁業條約按照國際通例日本漁船不得以中國領海領港爲漁業根據地已來各漁船應卽限期退出國境

（說明）查通商航海雖爲國際間普通通例而尙須訂立專約至漁業一項則與內河航行內地設廠等實爲強國壓迫弱國之不平等條約從前日韓曾訂有此約允許日本漁船自由出入朝鮮口岸今中日兩國對於漁業一項並未訂約是日本漁船不問其是否在中國領海侵漁絕對無駛入中國口岸之權更無以我國領港爲漁業根據地之權又日本漁船之在俄領沿海州及英租借時之威海衛亦曾經俄英兩國允許停泊但均係訂有

租約領有執照而日俄因沿海州漁約現正發生重大糾紛今江浙海面之日漁船出入上海港並無上項協約關係對日使抗議理由至爲充實且查各國保護本國漁業均採消極方法因領海限制既屬無效故均以拒絕外國漁船登岸使之無從補充給養無處避風若駛回本國則經濟時間兩不合算陷於事實上不可能而止此爲防止日船侵漁之根本辦法也

二由財政部嚴飭海關此後凡非由正式商船確從外國口岸運來之鹽鮮魚類而有提單足資證明者不得視爲商品一概禁止報關起岸

(說明)查兩國通商甲國物品輸入乙國當然由正式商船運送在甲國有出口商號乙國有收受商號並有提單方可持向海關報稅提貨乃屬一定之手續魚類亦商品之一不能例外如我國海關對於入口鹽鮮魚類非有提單證明者不許起岸則來路不明之魚自無從混入而漁船亦不能冒充商船此亦防止日船侵漁之根本辦法也

以上二端如果施行則江浙海面及上海停泊之日本漁船均可退去其他如閩粵魯遼諸省口岸侵漁日船皆可隨時查明一律辦理以保主權而維漁業是否有當敬請公決

提議人實業部長孔祥熙

## CIRCULAR No. 4207 (SECOND SERIES).

Direct towed-lighter traffic between Hongkong and West River ports: origin and *extra-treaty* privileged position of; provisional regulations to govern.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 10th April 1931.

SIR,

1.—The practice of allowing foreign-flag lighters, laden generally with kerosene oil or petroleum products, to be sealed in Hongkong by the companies concerned, to be towed thence to Lintin or Taishan, there to be resealed by the Chinese Customs without examination, and then to be towed from there to a West River treaty port where the goods could be bonded or pay duty, originated in the latter half of the first decade of the present century. The demand for such a facility arose partly from those interested in the building of local railways, who wished to convey to Canton machinery, rails, cement, and timber in specially constructed lighters, and partly from the oil companies, whose ocean-going tankers could not get up the West River to their treaty-port installations. In addition to cheaper freight, as compared with steamer rates, these lighters have the advantage of being able to discharge their heavy cargoes at points most convenient to consignees.

2.—As there is no clause in any of the treaties authorising sealed lighter traffic from a foreign place to a Chinese treaty port, it is obvious that the practice described above constitutes an *extra-treaty* privilege, and what made that privilege in the past all the more marked was that these Hongkong/treaty-port lighters while *en route* from Hongkong passed a Chinese Customs examining and duty-collecting station, and yet were specially exempt both from examination and from payment of duty, both of which Customs formalities were in their case deferred till the lighters arrived at their treaty-port destination.

3.—The main reason for these unusual exemptions was that up to quite recently the Kowloon stations, so far as duty-collecting activities went, were concerned solely with the levy of likin, chingfei, and tsoi on goods borne by junks, goods liable to Native Customs duty being left to the Canton Native Customs and goods liable to the Maritime Customs Tariff to the various treaty-port Custom

Houses on the West River. The abolition of *likin*, however, on 1st January this year, and the placing of all junk-borne goods coming from foreign places on precisely the same duty footing as steamer-borne or towed-lighter-borne goods of foreign provenance completely altered the status and duties of these Kowloon stations. As these junk-borne goods have hitherto been examined and paid duty at the Kowloon Customs stations, and as for preventive purposes it is absolutely essential that they should continue to do so, it naturally raises the question whether we can consistently continue to extend a special privilege to foreign firms which is denied to Chinese. It is not sufficient argument to urge that lighters can be sealed and junks cannot. The fact remains that if foreign-flag kerosene oil lighters are to be exempted from examination at Lintin and Taishan and to be allowed to pay duty as before at treaty-port destination, then the foreign firms enjoying such a privilege are placed in a preferential position as compared with Chinese shipping engaged in general trade.

4.—The recent instructions of the Chinese Government that no steam or motor vessel of less than 100 register tons should be allowed to engage in direct trade to China from foreign places were specially relaxed in favour of the steam and motor launch towed-lighter traffic between Hongkong/Lappa and China, but on condition that such vessels are in future to call at Kowloon or Lappa stations for examination of cargo and payment of duties (I.G. Circular No. 4166).<sup>\*</sup> In applying this special permission the Kowloon Commissioner quite naturally understood it as meaning that only lighters of less than 100 register tons should be called on to stop at Lintin or Taishan for examination of cargo and payment of duty, and that lighters of more than 100 register tons should continue to enjoy their old-time privilege of exemption from examination at these stations and of being allowed to pay duty at treaty port of destination. As, in my opinion, it is only a matter of equitable treatment that all lighters should be treated alike, I therefore suggested to the Government that I be authorised to instruct the Kowloon and Lappa Commissioners that all lighters—no matter whether of more or less than 100 register tons—must in future await examination of cargo at the Kowloon and Lappa stations passed and pay there all Customs dues leviable. As you will see from the appended copy of correspondence exchanged with the Kuan-wu Shu, this suggestion has been approved, and in future all lighters, irrespective of tonnage, proceeding from Hongkong to West River ports are to be strictly searched and examined at Taishan or Lintin, where Maritime

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<sup>\*</sup> *Antea*, vol. iv, p. 354.



Customs import duty is to be paid and Duty Proof issued. This ruling has been embodied in the provisional regulations,\* as now approved by the Shu, governing direct steam and motor vessel traffic, with or without tows, between Hongkong and the Canton delta.

A copy of these provisional regulations is appended.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* For subsequent modification of these rules, *vide* I.G. Cir. No. 4391, *postea*, vol. v.

## ENCLOSURE No. 1.

財政部關務署指令政字第四八二三號 中華民國二十年四月三日

令總稅務司梅樂和

呈一件爲往來港粵間之拖駁或拖輪不論百噸上下均應在九拱兩關所屬分卡候驗并呈送九龍

關所擬此項拖駁章程草案請鑒核由

呈件均悉察核所送章程尙屬可行惟應於該章程第一條特准二字以上加暫時二字餘准照辦此令附  
件存

總稅務司呈 關務署文第一九三九號 中華民國二十年三月三十一日

呈爲呈請事案查凡由香港裝運煤油及其他油貨至廣東各口岸之拖駁向准各煤油公司先在香港將拖駁自行加封用輪拖至九龍關分卡之伶仃或大鏟由該處分卡僅加關封並不查驗亦不徵稅俟該拖駁拖至廣東西江口岸時再由關查驗徵稅或將該貨起入關棧待稅此項辦法始於數十年前因彼時廣東各地建築鐵路需用外國機器路軌西門士及木料此項物料須用特別構造之拖駁由香港運入廣東各地半因各煤油公司所有行駛海洋之油船不能直接運油至廣東西江各口必須用特別構造之拖駁由香港轉運並以駁船運費較廉且便於將貨物運至購主最便利之地方交卸惟此項向例並無條

約之根據實屬條約以外之一種特別通融辦法且以在釐金未裁撤以前九龍關各分關對於中國民船貨物僅徵收貨釐砲費其應納之常關及海關稅均由廣東西江各常關及海關分別徵收故由香港至廣東西江各口岸之拖駁貨物亦准其不在伶仃或大鏟分卡報驗納稅現在釐金既已裁撤所有由香港至廣東各口岸之民船貨物既已改令在九龍各分卡納稅與輪載貨物一律辦理則外國之拖駁似亦應遵照辦理以昭平允否則如仍准外國拖駁照舊僅由大鏟或伶仃分卡加封並不徵稅俟其到達目的地時再行納稅或存棧則對於中國民船待遇實有未平必須改令在大鏟或伶仃分卡報驗納稅方足以昭一律而示平允惟九龍關稅務司在奉令仍准百噸以下拖輪往來港粵間貿易不歸百噸限制之內以後時即規定凡百噸以下之拖駁均須在大鏟或伶仃分卡報驗納稅與中國民船一律辦理其百噸以上之拖駁仍准照舊不在九龍分卡報驗納稅俟到目的地後再行查驗徵稅此等辦法殊欠公允竊以爲此後所有往來港粵間之拖駁或拖輪無論是否在百噸以下或百噸以上均須在九龍或拱北所屬分卡候驗納稅以免偷漏而昭公允至關於管理該項拖駁之辦法亦曾令據九龍關稅務司擬具章程數條理合一併備文呈請

核示以便轉飭遵行謹呈

財政部關務署長張

附章程草案

## 管理香港與珠江口各通商口岸往來小輪電船暫行章程草案

## 總章

一、凡拖帶駁船民船之小輪電船及馬達駁船不論噸數之多寡均暫時特准在香港與珠江口各通商口岸間

(如廣州中山港三水江門梧州等處)經由伶仃大鏢等關卡往來行駛

二、(甲)拖輪不得載運旅客及貨物

(乙)馬達駁船准拖帶其他駁船

(丙)駁船無論其能自己行駛或需用拖輪拖帶均祇准載貨不准搭載旅客載貨時必須由關將船艙加封

三、凡船隻在伶仃大鏢二關卡下午六時以後雖繳納特別准單費亦不准結關或起卸貨物倘到口遲晚船貨不能在下午六時以前由關查驗該船即須在口內停泊俟次日上午再行辦理

四、小輪或駁船如查有妨害稅收情事海關得將其充公或並科以他項處罰以示懲儆

## 進口辦法

五、凡小輪電船之船主或代理人於每次在香港開行以前應向在香港之九龍關辦事處請領小輪特別准單

並應由九龍關及經過之九龍關所屬各關卡將該輪一切詳情備函交郵通知指運口岸之海關以便查驗

六、凡小輪或電船不論噸位之多寡應一律在伶仃或大鏟地方由海關查驗照徵進口正稅然後發給已完進口正稅之憑單至其所拖帶之駁船應由關將船艙加封俟到達指運口岸時先向所經該口之第一關卡呈報進口然後向總關報請查驗

#### 出口辦法

七、凡小輪或電船出口時應在結關之口岸報請海關查驗完納出口正稅由關發給已完出口正稅之憑單至其所拖帶之駁船應由關將船艙加封俟到伶仃或大鏟時應即報告該地關卡倘該地關卡認為有查驗之必要時仍須復受查驗

八、小輪或電船每次出口其出口口岸之海關應將該船一切詳情備函交郵通知九龍海關

#### 結章

九、上述特准拖船駁船在香港與中國珠江口各通商口岸間往來貿易辦法乃屬試辦性質故本章程將來得隨時修改或取消之

ENCLOSURE No. 2.

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## PROVISIONAL REGULATIONS GOVERNING DIRECT STEAM AND MOTOR VESSEL TRAFFIC, WITH OR WITHOUT TOWS, BETWEEN HONGKONG AND THE CANTON DELTA.

1.—Steam or motor launches towing lighters or junks and motor lighters, without restriction as to tonnage, are specially permitted provisionally to trade between Hongkong and ports open to foreign trade in the Canton delta (Canton, Chungshan, Samshui, Kongmoon, and Wuchow) *via* the Maritime Customs stations at Lintin and/or Taishan.

2.—(a) Towing launches are not permitted to carry passengers or cargo.

(b) A motor lighter may be permitted to tow another lighter.

(c) Lighters, whether self-propelled or towed, are not permitted to carry passengers and may carry cargo only under sealed hatches.

3.—Working or clearance at Taishan or Lintin is not permitted after 6 p.m., even though Special Permit fee is tendered. Vessels arriving at these stations too late in the afternoon to allow of proper search and examination before 6 p.m. are to be detained overnight and examined next morning.

4.—Launches and lighters found guilty of revenue offences will be liable to confiscation and/or other Customs penalties.

## IMPORT.

5.—Masters or agents of vessels of the above categories are required to apply in advance at the Office of Chinese Customs for Kowloon District in Hongkong for a Special Launch Permit for every trip to be made. The Custom House of destination is to be notified of all particulars by posted memorandum both from the Kowloon District Office and from the Kowloon station of call.

6.—All vessels of the above categories, of no matter what tonnage, are to be strictly searched and examined at Taishan or Lintin, where Maritime Customs import duty is to be paid and Duty Proof issued. Hatches of lighters are to be sealed by these stations after examination and duty payment. Vessels must report

to the first Maritime Customs station of the port of destination, and again at the Custom House of destination for search and examination.

#### EXPORT.

7.—Examination, and payment of Maritime Customs export duty, will take place at port of clearance, where Duty Proof will be issued and lighters will be sealed. Vessels are required to call at Taishan or Lintin before entering Hongkong waters, and re-examination will take place, if considered necessary.

8.—The Custom House of clearance is to notify the Kowloon Customs by posted memorandum of all particulars for every trip made.

9.—As permission is granted to towed craft to ply between Hongkong and Chinese ports open to foreign trade in the Canton delta only as a special privilege, the foregoing regulations are provisional and subject at any time to modification or cancellation.

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#### SEMI-OFFICIAL CIRCULAR No. 74.

**Sir Francis Aglen: manner of describing in the future the termination of his connexion with the Service; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 18th April 1931.

SIR,

Sir Francis Aglen recently made certain representations to His Excellency the Minister of Finance in respect of the manner of recording the termination of his connexion with the Customs Service. His Excellency has instructed me to inform him that, while a Department of the Government cannot alter the phraseology of a Presidential Mandate, he authorises me to arrange that should the occasion arise in future to refer to the above question, his relinquishment of the post of Inspector General is to be described

as retirement, where the Customs archives are concerned. I append hereto a copy of my letter to Sir Francis Aglen on the subject: you will note its contents and act accordingly.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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ENCLOSURE.

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*Copy of Letter from Mr. Maze to Sir Francis Aglen, dated  
Shanghai, 18th April 1931.*

MY DEAR SIR FRANCIS AGLEN,

With reference to your letter dated 23rd February last to His Excellency the Minister of Finance concerning the manner of gazetting the termination of your connexion with the Customs, I am now authorised to state that His Excellency naturally considers that it is not within the competence of a Department of the Government to alter the recorded terms of a Presidential Mandate; but, nevertheless, in view of your long career in the Customs and many useful services to China, instructions have been issued that your relinquishment of the post of Inspector General is in future to be referred to, or described, as "retirement," where the Customs' records are concerned—a S/O Circular to this effect will be issued.

Yours sincerely,

F. W. MAZE.

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## CIRCULAR No. 4220 (SECOND SERIES).

**Interference by military with Customs functions: Government issues instructions that search of steamers for contraband is to be left to Customs in accordance with regulations.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *23rd April 1931.*

SIR,

Cases have occurred from time to time where the local military or police, having received information regarding the smuggling of opium, etc., have taken it upon themselves to seize the suspected cargo from the steamer before the Customs has had an opportunity to deal with it. Protests have invariably been made both by the port Commissioner and myself against such high-handed interference with Customs functions, but have not been effectual in preventing repetitions of the occurrence.

The latest case of this kind took place at Nanking last month, and I took the opportunity to request the Government to issue general instructions that, in order to avoid possible friction between two or more search parties operating under different administrations and consequent loss of efficiency, search for contraband on board ship should be left entirely to the Customs. From the appended copy of Kuan-wu Shu despatch No. 4870 you will see that the Commander-in-Chief has now issued instructions to all military organs that search of steamers for smuggled arms, etc., must be carried out by the Customs according to regulations.

I have therefore to request you to act accordingly and, in the event of any interference or attempt at interference on the part of the military with proper Customs functions, to draw the attention of the local authorities to the above instructions of the Government. If this should be of no avail, you are to report the matter to me by despatch, with a Chinese version in duplicate.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE.

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財政部關務署令第四八七〇號 中華民國二十年四月十日

令總稅務司梅樂和

爲令行事查前據金陵關監督呈以駐京英領事函述與首都衛戍司令部商訂搜查外輪辦法一案當經由部呈請陸海空軍總司令部轉飭各軍事機關以後對於檢查輪船私運軍火事項仍應由海關人員照章執行嗣後該總稅務司第一九二〇號來呈復經鈔同原呈指令該稅務司在案茲奉陸海空軍總司令部指令呈悉所請轉飭各軍事機關以後檢查輪船私運軍火事項仍由海關執行一節應予照辦除分令外仰卽知照此令等因奉此合行令仰該總稅務司知照此令

## CIRCULAR No. 4226 (SECOND SERIES).

## Damaged cargo: rules for duty treatment of.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 4th May 1931.

SIR,

When the nominal 5 per cent Import Tariff was in force the duty treatment of damaged cargo was governed by treaty stipulations, which called for a fair reduction of duty proportionate to the deterioration suffered by the goods in question, and which at the same time laid down the procedure for settling the value of such damaged goods.\* This principle of allowing duty reduction on damaged goods was fully recognised in Customs practice; and even when such damaged goods were sold by auction it was definitely ruled by the Inspector General that advantage was not to be taken of such sale to make the merchant pay full duty on damaged goods as if they were undamaged.†

The ratification recently of the various Tariff Autonomy treaties, retroceding to China complete jurisdiction in all Tariff matters, and the introduction of the present Import Tariff, with rates varying from 5 to 50 per cent, render desirable the enforcement of a ruling on the duty treatment of damaged goods which shall be more in accord with present-day conditions and requirements. Neither from the point of view of equity to merchants, nor from that of protection of the revenue, would it be satisfactory to approve the suggestion that such goods should be classified as "not otherwise provided for" under Tariff heading No. 647.

In cases, therefore, of assessing duty on damaged goods you are in future to be guided by the following rules:—

- (1) Goods paying *ad valorem* rates, when damaged, are to pay duty on the auction value or, if the goods are not so disposed of, on the Customs assessed value at the *ad valorem* rate specified in the Tariff for undamaged goods.

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\* French Treaty of Whampoa, 1844, Art. XVI; British Treaty of Tientsin, 1858, Art. XLIV, XLII; French Treaty of Tientsin, 1858, Art. XIX; Belgian Treaty of Peking, 1865, Art. XXX; German Treaty of Tientsin, 1861, Art. XIX; Japanese Treaty of Tientsin, 1871: Trade Regulations, Art. X. (*Vide* "Treaties, Conventions, etc.," *op. cit.*, vol. i, pp. 779, 416, 417, 824; vol. ii, pp. 15, 125, 519.)

† I.G. Cir. No. 1786 (T.Q.S. No. 347).

- (2) Goods paying specific rates, when damaged, are to pay duty on the auction value or, if the goods are not so disposed of, on the Customs assessed value at the rate on which the specific duty for such goods is based.\* If, however, by paying at the specific rate for undamaged cargo the duty would be less, the specific rate is to be charged.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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CIRCULAR No. 4230 (SECOND SERIES).

**Drawbacks on foreign imports: abolition of; procedure to be adopted for duty-paid foreign imports re-exported from treaty ports to Dairen and for goods under Exemption Certificate from treaty port to treaty port *via* Dairen.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 9th May 1931.

SIR,

With reference to Circular No. 4197:†

Recounting the main facts in the history of the drawback system in China; notifying the abolition from 1st April 1931 of drawbacks on duty-paid foreign imports; and stating, *inter alia*, that a special procedure would be adopted to govern the treatment of duty-paid foreign imports when re-exported from treaty ports to Dairen:

I have now to enclose, for your information and guidance, copy of my despatch No. 1952 to the Kuan-wu Shu and of despatch No. 4868 from the Shu in reply, from which you will see that, as a result of

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\* The rates on which specific import duties are based can be worked out from the figures given in the pamphlet issued for the sole use of the Customs Service attached to the first edition of the Import Tariff (1931).

† *Antea*, vol. iv, p. 427.

previous correspondence and of personal interviews, the Shu gave its decision that on and after 1st April this year duty-paid foreign imports re-exported from treaty ports to Dairen, as they are consigned to a leased territory, are not to be dealt with as if they were sent to a treaty port and given an Exemption Certificate, but are to be marked "To pay." This means, therefore, that such goods, if consumed in the Leased Territory, have paid duty to China, but, if sent out of the Leased Territory into China by rail, are to be regarded as having lost their duty-paid status and are to pay import duty at Dairen, while, if sent out of the Leased Territory to a treaty port by sea, they are to be marked "To pay." A merchant desiring to avoid payment of import duty on goods destined for Dairen may either export his goods direct from abroad to Dairen or ship them from a treaty port in bond.

In keeping with this decision that duty-paid foreign imports lose their duty-paid status when sent out of the Dairen Leased Territory into China is the ruling given subsequently by the Kuan-wu Shu that duty-paid foreign imports under Exemption Certificate proceeding from one treaty port to another *via* Dairen are, when transhipped there, to be marked "To pay." Such goods conveyed on a steamer touching at Dairen but not transhipped there remain unaffected. Copies of telegrams exchanged with the Kuan-wu Shu in this connexion are enclosed.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

總稅務司呈 關務署文第一九五二號 中華民國二十年四月六日

呈爲呈報事竊查關於海關撤銷洋貨存票以後對於進口洋貨轉運大連待遇辦法一案前奉

鈞署則字第四七四五號指令及

鈞座面諭當於三月三十日急電大連關稅務司以現奉政府明令飭自四月一日起所有在各口已完進口稅之洋貨如轉運大連應由出口海關在其副單上註明「應在大連關完稅」字樣其意即係該項貨物如在大連租借地內銷售應予免稅若由大連陸路轉運入內地則應在大連關完納進口稅若由海路轉運其他通商口岸則應由大連關在副單上另行註明「應在到達海關完稅」字樣等因合行轉令遵照辦理所有大連洋貨存票制度應於四月一日起取消嗣後洋貨轉運該口即按上項手續辦理仰即商得關東政府同意頒發佈告俾便周知倘關東政府不同意該稅務司應先將存票制度實行取消至前令發給大連免重徵執照一節應即撤銷等語並以現奉政府明令自四月一日起所有在各口已完進口稅之洋貨如轉運大連應由出口海關在副單上註明「應在大連關完稅」字樣仰即遵照至前令對於轉運大連洋貨發給免重徵執照一節應即撤銷等語急電江海膠海津海東海山海等關稅務司遵照辦理各在案所有此案遵辦情形是否有當理合備文呈請

鑒核指令祇遵謹呈

財政部關務署長張

財政部關務署指令則字第四八六八號 中華民國二十年四月九日

令總稅務司梅樂和

呈一件呈報海關對於轉運大連洋貨待遇一案遵辦情形由

呈悉此令

總稅務司上 關務署電第一六三號 中華民國二十年四月二十七日

南京張署長鈞鑒稅密按新章凡已稅洋貨由通商口岸至大連由通商海關註明 *To pay* 該貨如在大連租界內銷售即免在連關納稅如復出口運往中國內地再由連關徵進口稅如復出口運往其他通商口岸應由連關註明 *To pay* 俟到其他通商口岸時再納進口稅現據連關稅務司電詢對於由此一通商口岸運經大連轉船至彼一通商口岸之貨持有第一通商口岸海關所發之免重徵執照者應否承認該執照爲有效等情查現時常有已稅洋貨由上海復出口運往天津等處因特別情形常在大連轉船此項復出口至天津之貨物既爲真正洋貨在江海關勢不能不發給免重徵執照以免津關之重徵但大連關因新定章程關係可否承認此項執照爲有效敬請核示以便飭遵總稅務司梅樂和叩感

關務署電第七五九號 中華民國二十年四月三十日

梅總稅務司覽感電悉查進口洋貨復出口運往大連後再由海路轉運其他通商口岸前據呈報由大連關在副單上註明應在到達海關完稅來電所稱由上海運往天津之洋貨既係在大連轉船自應按照上項辦法辦理至由原船轉運天津並不在大連起岸者對於滬關所給免重徵執照應准認爲有效仰即遵照署長張卅印

## CIRCULAR No. 4236 (SECOND SERIES).

**Export Tariff: introduction of new Tariff on 1st June 1931;  
former Export Tariff retained under name of Interport  
Duty Tariff for coastwise inter-treaty-port shipments  
by steamer; I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 21st May 1931.

SIR,

1.—With reference to my circular telegram of 11th May:

“ Government instructs that new Export Tariff is to come into force on 1st June this year. Copies are being posted to-day. Detailed instructions will be sent later. Meantime issue immediately joint notification with Superintendent informing public ”:

to my circular telegram of 14th May:

“ My telegram of 11th May. Government instructs that, with introduction of new Tariff, export surtax is abolished. Issue joint notification with Superintendent accordingly ”:

and to my circular telegram of 16th May:

“ My telegrams of 11th and 14th May. Government instructs that on and after 1st June native goods carried coastwise between treaty ports by vessels under General Regulations are to be charged old Export Tariff rates and surtax, which rates and surtax in future are to be known as ‘Transshipment duties’ (Giles’ Dictionary Nos. 2711, 6174, and 10134). Such goods when conveyed by junks between treaty ports are exempt from all charges. New Export Tariff applicable only to native goods going abroad. Issue joint notification with Superintendent accordingly ”:

I now append, for your information and guidance, copy of Kuan-wu Shu despatches Nos. 5137 and 5166 and of an interchange of telegrams with the Kuan-wu Shu, from which you will see—

- (1) That on and after 1st June this year all native goods exported abroad are to pay export duty according to the new Tariff;



- (2) That on and after the same date the surtax which since 1st February 1929 (*vide* I.G. Circular No. 3854,\* § 3, (b)) has been leviable on native goods exported abroad is to be abolished;
- (3) That on native goods shipped coastwise from treaty port to treaty port by vessels under General Regulations, which in this case include also I.W.S.N. Regulations (*vide* I.G. Circular No. 4147, § 5), the rates of the old Export Tariff with its surtax are to continue to be levied, but that these old Export Tariff rates and surtax are in future to be known as "Interport duties" (轉口稅), not "Transshipment duties" as stated in the telegram, a decision which naturally carries with it the necessity of altering the title of the old Export Tariff to that of Interport Duty Tariff; and
- (4) That, consequent on the abolition of all *intra-50-li* Native Customs, native goods shipped from treaty port to treaty port by junk are to be exempt from all Native Customs and interport duties.

2.—It will at once be noticed that, while the Government as yet does not see its way clear to abolish the inter-treaty-port export duty now to be known as interport duty, it has at least declared that this duty shall not be operative for native goods when conveyed coastwise from treaty port to treaty port by junk and, by retaining the old Export Tariff for such goods when conveyed coastwise by vessels under General Regulations, has refrained from imposing on such trade the higher rates of the new Export Tariff. Ports, however, are to take care that native goods on which the old export rates have been levied for coastwise shipment are, if exported abroad after 1st June, to pay the difference between the coastwise export rate, that is, the interport duty, and the new rate for export abroad. Goods—such as silk piece goods—which are liable to interport duty if consumed in China and are *free* under the new Export Tariff when shipped abroad are, when shipped from one treaty port to another, to be called on to pay the interport duty at port of shipment. If subsequently exported abroad, such goods are entitled to drawback for the interport duty paid.

3.—Merchants who have previous to 1st June already paid the old export, that is, interport, duty on native goods from Yangtze and other ports and obtained at Shanghai "Passes" for these goods

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\* *Antea*, vol. iv, p. 155.

are, if they export these goods abroad after 1st June, to be called on to pay the difference between the interport duty rates and the new export rates. Similarly, merchants who have entered into export contracts prior to 1st June are not to be permitted on and after 1st June to export abroad the goods specified in these contracts, under old Export Tariff rates.

4.—As the Leased Territory at Dairen is for tariff purposes to be regarded as a foreign country, it follows that native goods exported to Dairen for consumption in the Leased Territory are to pay duty according to the new Export Tariff; but such goods, if sent from one treaty port to another *via* Dairen, are to pay duty according to the old Export, *i.e.*, Interport, Duty Tariff. This latter privilege holds good also for native goods shipped from treaty port to treaty port *via* Hongkong, Tonkin, etc.\*

5.—To obviate complications in recording and remitting these interport and new export duties, a certain percentage of each of which may technically be regarded as payable to the Foreign Revenue Account and the balances to the Foreign Revenue Suspense Account, the Kuan-wu Shu has decided that, as the sum of *Hk.Tls.* 15,000,000 represents the annual average for the whole country of the old 5 per cent export duty collection, any balance of the combined interport and new export duties above this sum is to be carried to the credit of the Foreign Revenue Suspense Account. The effecting of the division of these duties will be seen to by the Financial Secretary at the Inspectorate, so that all that the ports need care about in this matter is (*a*) to keep separate port records of interport and new export duties, (*b*) to remit all such duties to the Foreign Revenue Account, and (*c*) to see that the monthly total of these duties is recorded separately in the [*B.*—8] return.

6.—The treatment of those factory products which at present enjoy the privilege of selecting the Tariff under which they are to pay duty (F.P. Circular No. 464) will be dealt with in a later Circular.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Vide* I.G. Cir. No. 3851, *antea*, vol. iv, p. 150.

## ENCLOSURE No. 1.

財政部關務署訓令則字第五一三七號 中華民國二十年五月十二日

令總稅務司梅樂和

爲令遵事查海關出口稅則已由

國府明令公布定於本年六月一日起施行並奉

行政院令發稅則一份飭即通令知照等因凡屬出洋之土貨均應按照新頒出口稅則徵稅其以前對於出洋土貨徵收之附稅並應於新稅則施行之日起一律取消除已由部通令各關監督遵照外合行檢發稅則一份令仰該總稅務司轉飭各關稅務司一體遵照此令

計檢發海關出口稅則一份

財政部關務署令則字第五一六六號 中華民國二十年五月十六日

令總稅務司梅樂和

爲令行事查海關原徵值百抽五之出口稅（往外洋）以最近十四、十五、十六、十七、十八等五年收數平均計算約爲關平銀一千五百萬兩本年六月一日新出口稅則實行後應即照此數目劃分記帳作爲舊稅值百抽五部份藉清款目合行令仰遵照此令

## ENCLOSURE No. 2.

COPY OF TELEGRAMS EXCHANGED WITH  
KUAN-WU SHU.

*To F. Chang, Nanking, sent 14th May 1931.*

Urgent: Your despatch No. 5137: new Export Tariff: will inter-treaty-port export duty be abolished or be collected according to old Export Tariff after 1st June 1931? Urgent reply requested.

MAZE.

*From F. Chang, Nanking, dated 14th May 1931.*

New Export Tariff applies to exports abroad only.

CHANG.

*From F. Chang, Nanking, dated 15th May 1931.*

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*To F. Chang, Nanking, sent 15th May 1931.*

Your telegram of 14th regarding new Export Tariff: are export duties for inter-treaty-port trade abolished? If not, should we continue to apply old Export Tariff to such trade?

MAZE.

*From F. Chang, Nanking, dated 15th May 1931.*

When the new Tariff applies to exports abroad naturally the export duties for interport trade are not abolished, nor are they affected at all. It follows that the old Export Tariff is still applicable to interport trade.

F. CHANG.

*From F. Chang, Nanking, dated 17th May 1931.*

Your telegram of 16th: native goods on which old duty has been paid but have not been shipped for abroad prior to June 1st should make up the difference in duty.

F. CHANG.

*To F. Chang, Nanking, sent 18th May 1931.*

Urgent: Reference your instructions that new Export Tariff is to be applied to native goods exported abroad and old Export Tariff to interport trade, you are requested to instruct whether new Export Tariff is to be applied to native goods exported to Dairen for consumption in the Leased Territory and whether old Export Tariff is to be applied to native goods which are sent under Customs duty-paid documents from a treaty port to another treaty port or mart *via* Hongkong, Dairen, Tonkin, etc. An urgent reply is requested.

MAZE.

*From F. Chang, Nanking, dated 18th May 1931.*

Your telegram of to-day's date: native goods exported to Dairen for consumption in the Leased Territory to pay duty according to the new Export Tariff. Native goods sent from one treaty port to another treaty port *via* Dairen, Tonkin, Hongkong to pay duty according to old Tariff.

F. CHANG.

*From F. Chang, Nanking, dated 19th May 1931.*

關務署電第七九一號 中華民國二十年五月十九日

梅總稅務司覽十六日英文電悉查茶葉保結辦法取消後按照部訂辦法凡屬轉運外洋之華茶應照繳稅項俟出洋時再由出口海關退稅並無准在定期一年內未運出洋再行報稅之規定至上海洋莊茶業公會以銀行存款在上海付稅係由部另案特准其在上海以外報運出洋之茶葉並會規定應照原訂先繳稅款辦法辦理且出洋茶葉與行銷國內茶葉之製造包裝具有顯明之判別綢緞一項亦無上項特別情形所有轉口出洋之綢緞自應於起運口岸之海關照徵稅項俟在定期一年以內實行出洋後再予退稅再由此通商口岸運至彼通商口岸之土貨如以原貨於定期一年內運往外洋應由出洋海關查取曾在起運口岸海關完納轉口稅之單照再按新出口稅則補徵差額其在六月一日以前照繳轉口稅者亦應照此辦理仰即遵照署長張皓印

## CIRCULAR No. 4239 (SECOND SERIES).

**Gold unit notes: issued by Central Bank of China: to be  
accepted in payment of duties.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 23rd May 1931.

SIR,

1.—With reference to Circular No. 4025:\*

Notifying the introduction of the gold unit system as the basis of calculation of import duties and instructing you to collect such gold unit revenue in local silver currencies at periodic (current) rates of exchange:

I append, for your information and guidance, copy of Kuan-wu Shu despatch No. 5066, from which you will see that the Government has authorised the acceptance, as from 1st May this year, of Customs gold unit notes issued by the Central Bank of China as legal tender in payment of import duties and all other charges payable in Customs gold units without limitation as to the amounts so tendered.

Instructions regarding the introduction of the above measure were conveyed to ports in my circular telegram of 24th April 1931, directing you to issue the following notification to the public:—

“Under instructions received from the Ministry of Finance through the Inspector General of Customs the public is hereby notified that beginning from May 1st, 1931, the Central Bank of China will be prepared to sell Customs gold unit notes, in denominations of *C.G.U.* 10, *C.G.U.* 5, *C.G.U.* 1, 20 cent, and 10 cent, at rates ascertainable from Central Bank of China upon application.

“Such bank-notes, the issuance of which is by Government order confined to the Central Bank of China, will be accepted in unlimited amounts in payment of import duty and other charges payable in Customs gold units.”

2.—In this connexion I have to remark that, while it is not to be anticipated that the effect of the measure now authorised will become equally apparent at all ports in the immediate future, it is

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\* *Antea*, vol. iv, p. 261.

important to emphasise the fact that the Government has, through the issue of C.G.U. notes by the Central Bank of China, created a currency token which is to be accepted at all Custom Houses in payment of Customs duties expressed in terms of gold units.

3.—Through arrangements made by the Shanghai head office of the Central Bank of China, port Commissioners will be enabled to effect remittances of C.G.U. amounts to I.G.'s Revenue Accounts at Shanghai by telegraphic transfer or demand draft obtainable from the branch offices of the Central Bank of China free of charge. At ports where the Central Bank of China is not functioning, arrangements are being made whereby the Bank of China, or its branches, sub-branches, or appointed agents, will similarly undertake the remittance of C.G.U. funds free of charge, as may be requested by the Commissioner. In this connexion it will be necessary to keep a banking account in Customs gold units at all ports where proper banking facilities exist, as well as an office record of C.G.U. amounts received and disposed of. Ports experiencing special difficulties are requested to report such in detail.

4.—As regards accounts treatment you are requested to note the following:—

- (a) Duties paid in C.G.U. notes are to be recorded as under revenue collected "in actual gold units" and the silver (Haikwan tael) equivalent entered in your register according to the collecting rate of the day. Similarly, payments or remittances in terms of C.G.U. notes must be converted into Haikwan taels at the same rate or rates at which the C.G.U. notes were originally entered in the register. For instance, if during a month the collection in C.G.U. notes is as follows:

|               | C.G.U. AMOUNT.  | RATE.  | HAIKWAN TAEI<br>AMOUNT. |     |
|---------------|-----------------|--------|-------------------------|-----|
| 1st-6th . .   | 208.56          | 117.25 | 244.537                 | (A) |
| 7th-9th . .   | 104.35          | 121.09 | 126.357                 | (B) |
| 10th-16th . . | 618.97          | 117.25 | 725.742                 | (C) |
| 17th-24th . . | 1,208.42        | 115.36 | 1,394.033               | (D) |
| 25th-27th . . | 62.83           | 116.30 | 73.071                  | (E) |
| 28th-30th . . | 392.57          | 115.36 | 452.869                 | (F) |
|               | <u>2,595.70</u> |        | <u>3,016.609</u>        |     |



then the remittances and payments are to be recorded thus:

|  | <i>C.G.U.</i>   |   | <i>Hk.Tls.</i>   |
|--|-----------------|---|------------------|
| 17th: Remitted (A-c)                           | 931.88          | (@ original collect-<br>ing rates).               | 1,096.636        |
| 30th: Banker's com-<br>mission (part<br>of D). | 7.79            | (@ 115.36=collect-<br>ing rate of 17th-<br>24th). | 8.987            |
| „ Remitted (bal-<br>ance of D-F).              | 1,656.03        | (@ original collect-<br>ing rates).               | 1,910.986        |
|  | <u>2,595.70</u> |   | <u>3,016.609</u> |

From this example it will be seen that the order in which the silver equivalent of payment is recorded must follow the order of receipts and that the banker's commission must be paid before the last remittance is effected.

- (b) Remittances of C.G.U. collection in respect of 5 per cent revenue are to be effected to "I.G. Gold Unit Foreign Revenue Account" with the Hongkong and Shanghai Bank, Shanghai. In addition to the amount remitted in Customs gold units the remittance voucher should show the aggregate silver (Haikwan tael) equivalent corresponding to the original entries in your register for the amounts of Customs gold units remitted.
- (c) Remittances of C.G.U. collection in respect of additional duty and surtaxes are to be made to "I.G. Gold Unit Revenue Suspense Account" with the Central Bank of China in a similar manner.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE.

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財政部關稅署訓令計字第五〇六六號 中華民國二十年五月四日

令總稅務司梅樂和

爲令遵事查中央銀行發行關金兌換券各關自本年五月一日起所有海關進口稅及其他可以海關金

單位繳納之款項得無限制以此項兌換券繳納除令各關監督查照外合行令仰該總稅務司轉飭各關

稅務司查照辦理並佈告週知此令

## CIRCULAR No. 4240 (SECOND SERIES).

Native Customs, *intra-50-li*: abolition of, on 1st June 1931;  
I.G.'s instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 29th May 1931.

SIR,

1.—On the 16th May I sent a circular telegram to the Commissioners at ports where there are *intra-50-li* Native Customs establishments, warning them that the abolition of the Native Customs was imminent and that the treatment of the staff was under the consideration of the Government. This was followed two days later by the following telegram to the same ports:—

“ My telegram of 16th May. Government instructs that on 1st June this year all *intra-50-li* Native Customs are to be abolished. Issue immediately joint notification with Superintendent to this effect. Pending Government decision of treatment, staff is to receive pay to 30th June. Retain locally all Native Customs revenue for this purpose. Defer closing Native Customs Revenue Account for May and your Account *N* June quarter until completion of winding-up. Keep open if necessary head Native Customs office for performance of Maritime Customs work, now being done there; but make quite clear to public that such office in future is solely a branch of Maritime Customs for Maritime Customs work only. All sub-stations must be closed and staff withdrawn on 1st June but property is to be taken over by Maritime Customs and kept in order pending further instructions ”:

on the 19th May by the following:—

“ My telegrams of 16th and 18th May. Record on form [B.—41] in case of each employee—

“ (1) Whether or not suitable and required for service at your port in connexion with Maritime Customs former *extra-50-li* and present *intra-50-li* stations and

“ (2) Whether or not suitable for and willing to accept employment elsewhere at similar stations.

Report separately by memorandum to Chief Secretary full particulars of staff required at stations in question. Contributions to be collected to 31st May. *Nota bene*: Calling for above information does not imply that employment in Maritime Customs will be given to employees concerned as question of their treatment rests with Government. It is intended however to make use of Native Customs launches. Crews are therefore to be temporarily retained”:

and on the 23rd May by the following:—

“My telegrams of 16th, 18th, and 19th May. Retain with necessary staff as Maritime Customs stations for control of junk trade whatever former *intra-50-li* Native Customs stations you consider absolutely necessary. Close unwanted stations but place caretaker temporarily in charge of all owned property. Report telegraphically names of stations retained. All sea- and/or foreign-going junks must continue to enter and clear at junk office of Maritime Customs. Such junks should hold pass-book and register and be provided with manifest or cargo certificate from port of clearance. Question of junk dues has been referred to Kuan-wu Shu. I.W.S.N. vessels frequenting treaty ports or passing Maritime Customs stations still remain under Customs supervision but interport duties according to old Export Tariff and surtax are only leviable when native goods conveyed are from treaty port to treaty port.”

In this connexion I have now to append, for your information and guidance, copy of Kuan-wu Shu despatch No. 5154 and of an interchange of telegrams with the Shu bearing on the matter.

2.—As is well known, these *intra-50-li* Native Customs establishments were entrusted to the Inspector General to administer by virtue of Article VI of the Peace Protocol of 1901, in order that the revenue collected by these establishments might be devoted to the liquidation of the Boxer Indemnity. But time-honoured claims on this Native Customs revenue and the financial stipulations of the Peace Protocol were mutually exclusive. One or other, it seemed, would have to go by the board unless a compromise safeguarding both could be devised. Li Hsing-jui (李興銳), Governor of Kiangsi, in a Memorial to the Throne, represented the dilemma to his Imperial Master, who directed the Hu Pu to consider the matter. The Hu Pu referred it to the newly created Wai-wu Pu, and the decision affecting all *intra-50-li* Native Customs establishments was

that the Indemnity payments would be provided for out of provincial quotas, that the long-standing ordinary appropriations of the various Native Customs collectorates were to remain in force, and that only the surplus of these collections should be remitted to Shanghai.\* This decision, as Sir Robert Hart pointed out, was not in accordance with the terms of the Protocol. At the same time he expressed the opinion that as long as there was no default the procedure would probably meet with no objection from the signatory Powers. From that date till the Revolution in 1911 there was no default, but the shock of that upheaval gradually brought on general paralysis in trade and business, and the provincial quotas for the Indemnity service automatically ceased. The stoppage of the provincial quotas and the general uncertainty caused by widespread political disorder convinced the Chinese authorities that the safeguarding of China's interests as well as those of the Boxer Indemnity demanded a strict adherence to the terms of the Protocol regarding Native Customs administration. From the time, therefore, of the international agreement of 30th January 1912 regarding the disposal of China's Customs revenue† the *intra-50-li* Native Customs collections have been regularly paid to the Indemnity account. In the interests of internal trade this source of revenue is now relinquished, but by raising the export duty rates on native goods going abroad, the Government is taking care that this relinquishment will not affect adversely the interest of foreign creditors. My telegram of the 16th May makes it clear that no remittances of Native Customs revenue are to be made after that date, and that the Native Customs Revenue Account for May as well as Account *N* for June quarter are to be kept open until a final winding-up of these accounts can be effected. As was indicated in Circular No. 4158,‡ the step now taken by the Government in doing away with the *intra-50-li* Native Customs establishments was not unexpected. It is, in fact, a logical and inevitable development of the Government's declared policy of doing all in its power to set free domestic trade from the age-long trammels of internal taxation. Native Customs establishments had functioned for centuries in China before the coming of foreign trade, and their continued existence side by side not only with the modern but all-pervading likin system, and with the Maritime Customs controlling foreign trade and foreign-style shipping, was bound to

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\* *Vide* Chinese correspondence enclosed in I.G. Cir. No. 1040, *antea*, vol. ii, pp. 319-324.

† I.G. Cirs. Nos. 2108 and 2143, *antea*, vol. iii, pp. 146-154, 166-168; MacMurray: "Treaties and Agreements with and concerning China," vol. ii, pp. 946, 947.

‡ *Antea*, vol. iv, p. 339.

create an anomalous and burdensome trade-taxing situation. Up to the present China's financial necessities and the tariff and other disabilities imposed on her by treaty have prevented the Government from doing away with these fiscal clogs on the country's commercial and industrial development. China's opportunity, however, has at last come, and she has lost no time in sweeping away these antiquated hindrances to progress. *Extra-50-li* Native Customs establishments, likin, transit dues outwards and inwards, and coast trade duty have already gone by the board, and now that a revised and increased Export Tariff has been introduced the time has come for giving the *coup de grâce* to the *intra-50-li* Native Customs.

3.—One of the main questions arising from this action of the Government is the treatment to be given to the Native Customs staff. Here it should be remembered that not a few of these employees are men who were taken over with the *intra-50-li* Native Customs establishments shortly after the signing of the Peace Protocol in 1901. They are, therefore, in many cases old and tried servants of the Customs, and although when they were first taken over they were not counted as regular members of the Service, yet they gradually had accorded to them the distinctive privileges of regular members, such as retiring allowances and pensions.\* To retain all these *intra-50-li* Native Customs employees for Maritime Customs duty is manifestly out of the question. A selected number, especially at the coast ports, will no doubt be required to man whatever former *extra-* or *intra-50-li* Native Customs stations may now be needed as Maritime Customs stations, either for duty-collecting or for preventive purposes. To the majority, however, especially at inland collectorates such as Wuhu, Kiukiang, Ichang, Shasi, and Wuchow, the abolition of the Native Customs means the close of their official career as Government servants. It is in order to be able to represent to the Government the case of men in this latter class as fairly, as fully, and as accurately as possible, and to be in a position, if necessary, to recommend for retention men suitable for employment in Maritime Customs work, that I have called upon Commissioners having charge of *intra-50-li* Native Customs establishments to send forward in duplicate the [B.—41] form for each member of his Native Customs staff and at the same time to indicate for each man whether or not he is suitable and required for service at a Maritime Customs station in the district where he formerly served as a Native Customs employee or whether or not he is suitable for and willing to accept employment at a Maritime Customs

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\* *Vide* I.G. Cir. No. 2590, *antea*, vol. iii, pp. 380–382, and I.G. Cir. No. 3013.

station elsewhere. In the meantime pay is to be issued to all to the 30th June, by which time it should be clearly established what men are to be retained and what not.

4.—The abolition of these *intra-50-li* Native Customs primarily means the cancellation of the many and varied Native Customs charges hitherto levied on internal junk-borne trade. It does not mean that the Maritime Customs Service is to withdraw completely from its supervision of junks and their cargoes. As the Government has entrusted the Service with the task of seeing that junks engaged in foreign trade are made to pay the prescribed import or export duties according to the Maritime Customs Tariffs for foreign trade, and as many of the junks frequenting the coast can and do trade either inland or abroad as the occasion offers, it follows that on the coast, at any rate, a certain number of the present *intra-50-li* Native Customs stations will have to be retained in the form of Maritime Customs junk stations, which shall continue their present work of supervising the junk trade, issuing necessary pass-books, cargo certificates, etc., collecting duty on such junk-borne goods as come from or go to foreign places, and at which passing junks may be obliged to call and present their pass-books, etc., for visé. Time alone can show along what lines this work should be developed, whether special junk papers and other documents should be introduced, and what procedure will be found the most effective for the control of these sea-going junks and for the prevention of clandestine trading in all its ramifications to and from abroad. Commissioners at coast ports where there have been *intra-50-li* Native Customs establishments are to study these problems and to report officially as quickly as possible their conclusions and suggestions. In the meantime they should, if necessary, retain the head Native Customs office as the Maritime Customs junk office and as many of the former sub-stations as may be required for duty-collecting and preventive purposes. It should, of course, be made quite clear to the public and to merchants and junkmasters specially that these retained and converted Native Customs stations are in future Maritime Customs stations for the control primarily of foreign-going junks. Former *intra-50-li* Native Customs stations that are not required are to be closed and the staff withdrawn, but in the case of buildings, etc., belonging to the Customs a caretaker may be left to look after the property. A detailed report of all *intra-50-li* Native Customs property owned by the Customs is to be prepared and sent forward to the Inspectorate, with Chinese version in duplicate, with as little delay as possible. This report should be accompanied by recommendations for the disposal of any unwanted property now listed.

5.—Vessels plying under Inland Waters Steam Navigation Regulations frequenting the treaty ports or passing any of the Maritime Customs stations are still under Customs supervision. All such vessels are subject to inspection and must enter and clear and take out all necessary Customs documents just as at present. Steam vessels plying between inland places away from treaty ports and not coming to or passing either a treaty port or a Maritime Customs station cannot be regarded as coming under Customs jurisdiction, and control of such inland vessels must be left to the territorial authorities. Duties on native goods conveyed by I.W.S.N. vessels are leviable according to the Interport Tariff (*i.e.*, the old Export Tariff with surtax), but only when such goods are conveyed from treaty port to treaty port.

6.—The various junk and tonnage dues, which since July 1924 have been remitted by certain *intra-50-li* Native Customs collectorates to the Inspector General's Junk Dues Account\* for the maintenance of the Coast-guard Bureau, are also to cease being collected on 1st June this year. Any balance held in this account on 31st May should be remitted as usual to the Inspector General's Junk Dues Account with the Hongkong and Shanghai Bank.

7.—As the junk duties collected at Dairen and Kiaochow have never been treated as Native Customs revenue proper, and as they have been pledged by the Ministry for specific purposes, the question of their continuance is one that demands the special consideration of the Ministry. Instructions in this matter will be issued in due course to the ports concerned.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* I.G. Circs. Nos. 3517 and 3581, *antea*, vol. iv, pp. 23, 54; Statistical Secretary's Printed Note No. 501.



## ENCLOSURE.

財政部關務署訓令則字第五一五四號中華民國二十年五月十五日

令總稅務司梅樂和

爲令遵事查海關出口稅則現已由部修改呈奉

國府明令公布并定自六月一日起施行所有五十里內各常關茲經規定於六月一日一律裁撤除已由部通令各關監督遵照外合行令仰該總稅務司轉飭遵照此令

總稅務司電 關務署文第一六八號中華民國二十年五月十一日

南京張署長鈞鑒稅密六月一日五內常關取銷後關於(一)所有往來通商口岸之民船貨物是否應與輪載貨物一律繳納海關出口稅按理輪載貨物既須納關稅民船貨物似亦應一律辦理但如勒令一律照繳關稅既與取銷五內常關主旨不符又恐招民船嚴重之反對應如何辦理請核示(二)現在各五內常關人員約一千以上五內取銷後得力人員自應調派海關服務其不得力人員應一律遣散所有遣散人員按關章應得之酬勞費等應請准予由關稅項下開支並所有遣散人員應給六月份薪俸全份(三)所有各五內常關關產應由當地海關接收或作海關之需用或於必要時變賣之再關於新出口稅則六月一日施行後所有現在徵收之出口附稅是否應停徵請一併電示總稅務司梅樂和叩真

關務署電第七八一號中華民國二十年五月十三日

梅總稅務司覽真(十一)電悉(一)五內常關取銷後往來通商口岸之民船貨物毋庸徵收轉口稅惟何時取銷應俟奉到命令再辦(二)五內常關人員六月份薪俸可予照支至遣散酬勞等費應候另文呈報再行核定(三)五內常關關產自應交由當地海關接收彙報查核其無用者可酌予變賣惟須隨時呈報仰即遵照署長張元印

關務署電第八〇一號中華民國二十年五月二十五日

梅總稅務司覽五月廿三日電悉五內常關裁撤後所有向徵船鈔既無合作機關徵收自應一律取銷仰遵照署長張有印

## CIRCULAR No. 4241 (SECOND SERIES).

**Territorial waters: limit of 12 marine miles for Customs preventive purposes decided on by Executive Council; I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 5th June 1931.

SIR,

1.—With reference to Circular No. 4139:\*

Enclosing regulations for the guidance of officers in charge of revenue launches or cruisers when engaged in preventive operations; and stating that, until an official pronouncement should be made by the Government on what China claims as territorial sea or any wider belt in which she may claim the right of exercising preventive measures, Customs launches and cruisers engaged in preventive work are to confine their activities within a limit of 3 marine miles from her coast-line outwards, measured from low-water mark:

I have now to append, for your information and guidance, copy of Kuan-wu Shu despatches Nos. 5312 and 5420, from which you will see that, on the representations of the Ministry of Finance, the Executive Council has decided to extend the limit of 3 marine miles to 12 marine miles, measured from coast-line at low-water mark, within which the Customs preventive vessels may operate and that the Ministry of Foreign Affairs has been instructed to inform the various Governments accordingly.

2.—You are therefore to note that for Customs purposes the Government now claims the right of exercising any preventive measures it may consider necessary for the protection of its revenue within a limit of 12 marine miles from the coast of China. As a corollary to this claim, in accordance with the internationally accepted practice of "hot pursuit," a vessel committing an infraction of China's revenue laws within this 12-mile limit may be pursued into the open seas and there arrested, provided the pursuit has commenced while the vessel was still within the 12-mile limit.

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\* *Antea*, vol. iv, p. 313.

3.—All Commissioners at coast ports or at ports in close proximity to the coast are, in conjunction with the Superintendent, to issue to the public a notification in the following terms:—

“In accordance with the orders of the Government, received through the Inspector General, the public is hereby notified that the Executive Council has decided that the limit of territorial waters within which the Customs may exercise whatever preventive measures are considered necessary for the protection of the revenue shall be 12 marine miles from the coast-line outwards, measured from low-water mark.”

4.—A memorandum on the subject of the limits of territorial waters is appended for your information.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE No. 1.

財政部關務署訓令政字第五三一二號 中華民國二十年五月二十八日

令總稅務司梅樂和

爲令行事查前奉

行政院令海關緝私章程定爲十二海里飭即擬具實施及宣告辦法呈核等因當經由部以此案應由關遵照本部前次核定檢查華洋船隻規程案內所定三海里之界綫延展爲十二海里以爲實施緝私之地並請令行外交部轉向各國政府宣告等情呈復行政院在案茲奉

行政院指令呈悉已如該部所請令行外交部轉向各國政府宣告並呈報

國民政府鑒核備案矣仰即知照此令等因奉此合亟抄錄

行政院第零一九七五號訓令及本部第一九二零號原呈各一件令仰該總稅務司遵照辦理並佈告週知此令

計抄行政院訓令一件本部呈文一件

抄行政院訓令

爲令行事案查前據內政外交財政海軍實業五部呈爲大局已定請規劃領海界綫係海關緝私範圍以保主權等情經提出本院第十四次國務會議決議領海界綫擬定爲十二海里轉呈國府核定關於勘界

事宜交海軍部辦理當經照案行知海軍部並呈國民政府轉送中央政治會議在案現奉國民政府第二零二號

訓令開案查前據該院呈爲轉呈核定領海界綫暨海關緝私範圍一案經提出第十三次國民政府會議決議送

中央政治會議去後茲准函復以准函當交審查復提出本會議第二六九次會議決議先規定海關緝私以十二

海里爲範圍關於漁業界綫再交審查除漁業界綫一節應俟決議後另文通知外其關於海關緝私之部分相應

先行錄案函復查照轉飭遵照辦理等由復經提出第十八次國民政府會議決議照辦在案除函復外合行抄發

原函令仰該院轉飭遵照辦理此令等因奉此自應遵照辦理至勘界事宜并據海軍部呈復關於領海界綫國際

公約規定爲三海里本國既入國際公團自不能於三海里外有所增加並陳明財政部前請規定緝私界程十二

海里實係領海範圍以外之一種行政權並附具海圖十二幅說略一件前來經提出本院第十八次國務會議決

議交海軍外交兩部與參謀本部再行研究去後茲據會同復稱經三部討論結果認爲前次海軍部所主張暫仍

以三海里爲領海尙屬可行等情復經提出本院第二十一次國務會議決議領海範圍定爲三海里緝私界程定

爲十二海里由財政部擬具緝私界程之實施及宣告辦法呈核並均報告國民政府紀錄在卷除呈報國府備案

並俟海軍部將海界圖整理印就後再行補發暨分令外合行抄發原函令仰知照並將緝私界程定爲十二海里一節轉飭海關及所屬緝私機關遵照並擬具緝私界程之實施及宣告辦法呈核此令

抄本部原呈文

呈爲呈復事竊奉鈞令以中央政治會議決議規定海關緝私界程以十二海里爲範圍函經國民政府令院飭遵復由國務會議決議領海範圍定爲三海里緝私界程定爲十二海里飭卽轉飭海關遵照並擬具緝私界程之實施及宣告辦法呈核等因附抄發函件奉此查本部前以新稅則實行以來海上走私船隻恃強偷越之事日益繁多海關爲維護稅收防杜偷漏計實有在海上行使查緝私貨職權之必要經飭據總稅務司擬具海關巡輪在本國領海內檢查華洋船隻應守規程并聲明領海範圍在我國未正式擬定以前由關照國際慣例暫以三海里爲界綫等語經本部核定令准公布施行并經咨准外交部復稱業經照會駐華各使轉行知照等因在案茲既奉令定海關緝私界程爲十二海里應卽由海關依照前項三海里之界綫延展爲十二海里爲海關實施海上緝私職權之地至宣告辦法應請由鈞院令行外交部查照前項實施情形轉向各國政府宣告以便知照奉令前因除飭由關務署令行總稅務司外理合呈請鈞院鑒核施行并乞指令祇遵謹呈行政院

財政部關務署訓令政字第五四二〇號 中華民國二十年六月十一日

令總稅務司梅樂和

爲令行事奉

部長發下

行政院令一件內開案查前據該部呈爲海關緝私界程奉令定爲十二海里應由關遵照本部前次核定檢查華洋船隻規程案內所定三海里之界線延展爲十二海里以爲海關實施海上緝私職權之地並乞令行外交部轉向各國政府宣告以便知照請鑒核施行等情到院當經指令准如所請並訓令外交部轉向各國政府宣告暨呈報

國民政府鑒核備案各在案茲奉

國民政府第一三七三號指令內開呈悉准予備案此令等因奉此除令知外交部外合行令仰該部知照等因奉此查此案前奉

行政院指令業經本署第五三一二號訓令飭由該總稅務司遵照在案茲奉前因合再令仰該總稅務司知照此令

## ENCLOSURE No. 2.

MEMORANDUM ON LIMITS OF TERRITORIAL  
WATERS.

1.—International usage recognises that a sovereign state has full territorial rights over the marginal waters extending for 3 marine miles from its coast-line outwards, measured from low-water mark. This limit was first enunciated by Dutch jurists in the early eighteenth century, as being then the maximum range of cannon, and during that and the following century it came to be accepted in practice, if not in theory, by most maritime countries. Gradually the conception that the limit of jurisdiction is coincident with the limit of force exercisable from the shore fell into the background, and men came to recognise the value of a stable standard rule generally, if not universally, accepted, and not dependent on past, present, or future range of artillery. Some governments, it is true, have claimed and still do claim territorial rights over wider belts of marginal sea—4, 5, 6, and even 12 miles; but the practice of states shows that there is no general acquiescence in the recognition of full territorial rights over a belt of more than 3 miles.

2.—While the 3 marine mile\* limit has thus been generally admitted to be the limit of a state's complete control and jurisdiction over its marginal waters, it should not be forgotten that some states, while admitting the 3-mile limit for full territorial rights, claim the rights of jurisdiction and control for specified purposes over wider belts of marginal waters. Legislation, however, enacted on the basis of such claims cannot generally be enforced against the vessels or subjects of other states unless there is a definite agreement to that effect between the states concerned. In the past, for instance, the British Acts of Parliament, known as the "Hovering Acts" (1736, 1769, 1784, 1836, and 1853), for the enforcement of the British revenue laws within a 12-mile limit have been, since the early nineteenth century, a dead letter so far as foreign shipping is concerned; though no doubt, if need be, they can still be cited as having the force of municipal law. Similarly, the claims of Spain to a 6-mile limit for all purposes, of Italy to a 10-kilometre limit for Customs purposes, of Austria and of France to a 4-league limit

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\* The marine, or nautical, mile now generally used or referred to in modern treaties and statutes relating to maritime jurisdiction is the same as the geographical mile of 60 to a degree. According to the British Hydrographic Office, it is known as the "Admiralty mile" and equals 1,853.2 metres. The official U.S. Coast Survey gives the figure as 1,853.248 metres, while the French figure is 1,853.9 metres.



for Customs purposes, of Sweden and of Norway to 4 miles for all purposes, of Chile to 4 leagues for police jurisdiction, and of Russia to 12 miles for all purposes have all been the subject of vigorous protests from other states and have not as a rule been enforced against foreigners. There are, however, instances where two states, or a group of states, have entered into an agreement to recognise a wider limit than 3 miles for certain clearly defined purposes. The most recent, and by far the most important and far-reaching, of such agreements is the series lately contracted between the United States of America and various countries for the prevention of smuggling of intoxicating liquors into the United States. The first of these conventions was that of 23rd January 1924 with Great Britain, the second article of which provides that Great Britain will raise no objection to the boarding of any private vessel under the British flag by the authorities of the United States in order to ensure that the vessel concerned has not committed, is not committing or attempting to commit an offence against the laws of the United States prohibiting the importation of alcoholic beverages, and stipulates that the right thus conferred shall not be exercised at a greater distance from the coast of the United States than can be traversed in one hour by the vessel suspected of endeavouring to commit the offence. Similar provisions are to be found in corresponding conventions between the United States and France, Germany, Italy, Spain, Belgium, Holland, Norway, Sweden, Denmark, Panama, Cuba, and Japan. The terms of these conventions, taken in conjunction with the terms of American municipal law, which fixes a limit of 12 miles from the coast for Customs right of search, and in conjunction with the generally recognised practice of "hot pursuit,"\* afford the basis and the precedents for probable future international agreements on the question of territorial waters.

3.—Up to the spring of last year China had not publicly declared her acceptance of the 3-mile limit; but at the International Conference for the Codification of International Law, held, under

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\* "When a vessel, or some one on board her, while within foreign territory commits an infraction of its laws she may be pursued into the open seas and there arrested. It must be added that this can only be done when the pursuit is commenced while the vessel is still within the territorial waters or has only just escaped from them. The reason for the permission seems to be that pursuit under these circumstances is a continuation of an act of jurisdiction which has been begun, or which but for the accident of immediate escape would have been begun, within the territory itself, and that it is necessary to permit it in order to enable the territorial jurisdiction to be efficiently exercised."—W. E. Hall, "A Treatise on International Law," 7th Edition (Oxford, 1917), p. 266. In a footnote the author adds: "Subject to the isolated practice mentioned in the text, the laws of a state can only run outside the territorial waters against the vessels and subjects of another state with the express or tacit consent of the latter."

the auspices of the League of Nations, at the Hague from 13th March to 13th April last year (1930), the Chinese delegation, led by His Excellency Dr. C. C. Wu, Minister to the United States, accepted the principle that the breadth of territorial waters over which a country might exercise full sovereignty should be 3 marine miles.\* As the Conference, at which 47 states were represented, unfortunately could not reach unanimous agreement on the question of the breadth of the territorial sea, no decision was taken on this point.† The early treaties between China and foreign states contain no specific definition of the breadth of China's territorial waters. Article XIX of China's Treaty of Tientsin (1858) with Great Britain uses the phrase "while within Chinese waters," but gives no indication how far these waters are regarded as extending. Article XIII of the Treaty with the United States of America of the same year makes use of the phrase "while within the waters over which the Chinese Government exercises jurisdiction," and the corresponding Article (XXXIV) in the Treaty with France uses the expression "dans les parages dépendant de la Chine." These rather vague expressions, taken together with the general acceptance by these three Powers of the territorial 3-mile limit, and with the implied acknowledgment by Japan in the *Tatsu Maru* case of China's right to a 3-mile limit, may be interpreted as an international recognition of China's full territorial jurisdiction over her marginal waters within a limit of 3 miles. The only treaty between China and a foreign state which definitely fixes a limit is that with Mexico of 1899, in Article XI of which "the two Contracting Parties agree upon considering a distance of three marine leagues, measured from the line of low tide, as the limit of their territorial waters, for everything relating to the vigilance and enforcement of the Custom House regulations and the necessary measures for the prevention of smuggling." To prevent misinterpretation the Chinese text of this article, which rules in China, defines a marine league as equivalent to 10 Chinese *li*. This is the only instance where China has defined in a treaty the limits of her territorial waters, and as it is a particular declaration, made in a convention with a particular country, it cannot necessarily be taken as a general declaration of what China regards as her municipal law on the subject.

SHANGHAI, 3rd June 1931.

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\* "American Journal of International Law," July 1930, p. 254 in Official Documents section and p. 492 in regular magazine section.

† "Ten Years of World Co-operation" (1930: published by the League of Nations, Geneva), p. 173.

## CIRCULAR No. 4244 (SECOND SERIES).

**Returns: system of rendering and publishing, revised; monthly, introduced from 1st July 1931; establishment of Central Returns Office; numerical coding system necessitated by introduction of tabulating machinery; "Statistical Copies" of Applications called for; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *12th June 1931.*

SIR,

1.—National trade statistics are of international interest, and it is incumbent on China to keep abreast of what other countries are doing to furnish, with a minimum of delay, accurate information concerning the movements of goods. More and more is the exchange of commodities becoming a scientific and competitive study in which up-to-date statistical data play an important part; and it is to China's advantage that the Customs should be adequately equipped to provide the latest information concerning trade in order that merchants may be in a position to make more satisfactory arrangements in respect of future requirements, etc.

2.—I append hereto a copy of Chinese correspondence exchanged between the Kuan-wu Shu and the Inspectorate concerning the publication of monthly returns and the introduction of the so-called punched-card system of rendering Customs returns. From Kuan-wu Shu despatch No. 2802 it may be seen that, with a view to enabling China to participate in the International Convention relating to Economic Statistics held at Geneva under the auspices of the League of Nations in 1928, the National Tariff Commission recommended to the Shu that the Customs should publish monthly statistics embracing important particulars of exports, imports, etc., and that the Shu instructed me to study the question and submit my opinion on the subject. In my despatch No. 1273 I transmitted a report from the Statistical Secretary recommending that monthly returns be introduced in order to bring the Customs trade statistics into line with international practice. The Shu ruled that, in order to accelerate the publication of Customs returns, the punched-card system, reported upon favourably in the excellent report submitted by Messrs. Wang Hua-min and Kiang Shun Sung, Customs Travelling Scholarship students, who were sent to England to study the Customs administrative methods there, should be adopted by

the Customs forthwith (despatch No. 3543). In a further despatch (No. 4867) from the Shu instructions were issued to the effect that the necessary preparations for issuing monthly returns by the Customs should be made as soon as possible and that the publication of such returns should not be delayed, etc. In reply to this despatch I stated that the Statistical Secretary had already been sent to Japan to study the mechanical means employed by the Japanese Customs in connexion with the compilation of monthly returns of trade, and I recommended as a result of the Statistical Secretary's findings that—

- (1) Beginning from July 1931 the Customs should publish monthly returns of movements of cargo to and from abroad, based on the lines proposed by the International Convention of the League of Nations, to replace the present Customs Quarterly Returns, which, however, should continue to be published for the September and December quarters 1931 in order to complete the series; and
- (2) Two offices should be established for tabulating statistics: one office in the Shanghai Customs, in which the necessary machines will be installed to provide a complete check on all revenue and tonnage dues paid in Shanghai, as well as to summarise by means of card-punching all Shanghai port statistics of trade to and from abroad, including the Shanghai Daily Returns; and the other office at Sinza Road, with an additional set of machines for the preparation of monthly returns for the foreign trade of all China. The Shu in its despatch No. 4902 sanctioned these proposals.

3.—Our immediate aim and first step, therefore, will be in the direction of replacing the present Customs Quarterly Returns by Monthly Returns of China's foreign trade, based on the lines approved by the International Convention relating to Economic Statistics and published with as little delay as possible.

4.—Revision of the returns of domestic trade, though also important, must perforce be deferred until the new plan for foreign trade statistics has sufficiently progressed to ensure that there will not be too great a dislocation of office routine. It is my urgent desire, however, that all trade statistics should be brought into line with international practice at the earliest possible moment, and it behoves us to leave no stone unturned until this desideratum has been brought about.

5.—The Central Returns Office, as part of the present Statistical Department, has been established in Shanghai, and the tabulating machines, similar to those used for statistical purposes in the leading countries of the world, have now been installed, by means of which it is hoped to bring our returns into line with those of other countries without necessitating large additions to the present staff.

6.—In order to obtain satisfactory results by means of this machinery, which consists of a punched-card system with electrical sorters and tabulators, every item on all Applications will have to be “translated” into figures, or code numbers. To facilitate this work new standard Application forms have been devised, specimen copies of which will be forwarded by the Statistical Secretary, and you are requested especially to note the introduction of a duplicate Application—the “Statistical Copy,”—which in all respects must conform, except for the present as far as duty columns are concerned, with the original Application.

7.—At the commencement it will be necessary to call for this Statistical Copy of the Application only in the case of foreign trade, *i.e.*—

- (a) Applications for foreign goods imported from abroad;
- (b) Applications for Chinese goods exported abroad;
- (c) Applications for foreign goods re-exported abroad;
- (d) Applications for Chinese goods re-exported abroad;
- (e) Applications for Chinese goods transhipped abroad; and
- (f) Applications for foreign goods withdrawn from bond for import;

but by easy stages it is intended to develop the system to apply also to domestic trade.

8.—The main points to be noted in connexion with this new system are—

- (a) That for the present no change is to be made in the existing method of compiling and recording your Quarterly and Annual Returns;
- (b) That from the 1st July 1931, or at the more distant ports from the date of receipt of this Circular, Statistical Copies of all Applications detailed above are to be called for from all applicants and forwarded to the Statistical Department at certain fixed intervals;

- (c) That for the period 1st January to 30th September 1931 complete returns of foreign trade on lines which will be indicated to you by Printed Note are to be forwarded to the Statistical Secretary to arrive not later than 10th November 1931. In this connexion it is to be noted further that a considerable amount of work in the conversion of our present comparative tables to conform with the new returns will be entailed in their publication, and it is hoped that the work can best be done in the Central Returns Office instead of at the ports; and
- (d) That separate values are to be given on the Applications for each item, not only in the case of *ad valorem* goods but in the case of goods paying specific duty rates also.

9.—While it must naturally be left to the discretion of each Commissioner to devise the best system to ensure not only that no Statistical Applications are missing but that the information supplied therein is correct, I have instructed the Statistical Secretary, when forwarding to you the code numbers to be used in “translating” the particulars, to add for your information such notes as may be of assistance in ensuring the efficacy of whatever arrangements you may decide to introduce for this purpose.

10.—In conclusion, I would impress on the Service that the constant and frequent changes which have of late occurred in Customs and fiscal procedure have rendered increasingly difficult the task of reorganising our present method of compiling trade statistics, and I rely upon all members of the Service to co-operate in ensuring the complete success of the new system at the earliest possible date. In the initial stages a limited amount of additional labour and hardship in certain ports may be entailed and unforeseen obstacles may arise, but I am fully convinced that by willing co-operation the new system can be made effective, while the early and regular publication of our statistics will reflect credit on the Customs Service and prove useful to the general public.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE.

財政部關務署訓令第二八〇二號 中華民國十九年六月五日

令總稅務司梅樂和

爲令行事前以外交部函轉國際聯合會秘書長所送國際經濟統計公約及議定書我國應否加入該項公約經部令飭國定稅則委員會擬議具復去後茲據該會議復並附送節略月報要目等件前來查所送節略內擬具編製月報辦法事關擴充海關統計合行抄錄節略並檢同所擬海關月報要目暨公約議定書原文令仰該總稅務司詳議復奪此令

計抄發節略一件又檢發海關月報要目一件

(此件辦畢隨同復文繳回)公約議定書原文一件

關於國際經濟統計公約對外貿易統計部分遵令議復節略

查國際經濟統計公約關於對外貿易統計部分所訂辦法大旨不外二種目的一爲劃一編製方法卽爲公約第三條所載「各締約國爲便利各國對外貿易統計之比較起見承允編製此項統計時採用附件一第三部中所列之原則」之條款一爲提早公布期間卽爲公約第二條所載「甲、進口貨及出口貨之數量價值之年報月報乙、從事於對外貿易船隻進口出口淨噸數之年報(按船隻國籍分別)如可能時可編製季報最好能編製月報」之條款除關於劃一編製方法者因議定書及附件條目繁多其與現行關冊異同之點亦不一而足非對照原文逐條參校不易明瞭茲謹另行簽註連同公約議定書及附件原文一份呈請

鑒核外所有公約內規定對外貿易統計各項報冊之種類及其發行時期核吾國關冊之現行辦法亦復不無出入查國際聯合會向有統計月報 *Monthly Bulletin of Statistics* 之發行各國對外貿易統計佔其中之重要部分進出口貨之價值列入第四及第五表進出口貨之數量列入第六及第七表前十年間僅列各年總數本年份則列各月細數表中所包含之進出口貨大多數爲特殊貿易（參照附件一甲項簽註）但亦有爲一般貿易者如日本即其一例第九表載船隻進出口之淨噸數該報出版之期既速且準例如本年一月份之月報於三月初旬即可遞到上海此該報編製及發行辦法之大略亦即此次國際經濟統計公約第二及第三條之規定所由來也吾國關冊有總冊年冊季冊江海等關並有日冊而月報則向未編製我國此次如允加入公約使我國對外貿易統計載入國際聯合會出版之統計月報得與當世各國此項統計互相比較未始非增進國際地位與發展國外貿易之一道惟月報之編製自當預爲準備職會管見所及以爲編製之體例應行商榷者約有三端（一）此項月報當以國外貿易之統計爲限而國內貿易不在其內也我國海關徵稅可分爲二部分一爲對於國外貿易所徵之稅如洋貨之進口稅出洋土貨之出口稅出入內地之子口稅以及來往外洋船隻之噸稅（船鈔）一爲對於國內貿易所徵之稅如往通商口岸之出口稅復進口半稅來往通商口岸船隻之噸稅及海關兼管之常關稅以上各稅除噸稅外實皆爲應裁未裁之國內通過稅向來稅制既已夾雜不清統計名詞遂不免失諸籠統我國關冊出



版之延遲屢爲中外人士所指摘然固未可全歸責於海關辦事之迂緩我國幅員遼闊交通不便而自前清光緒末葉以來內江內河行輪口岸開闢日多海關管轄區域深入內地文書往返固頗費時稅目繁多不易整理關冊出版之遲滯半由於此此後編製月報如專以最重要之國外貿易部分爲限不但在內外貿易上界限分明卽於統計進行上亦當事半功倍(二)此項月報當先列貨物船隻統計次列稅收統計也查國外貿易統計不外貨物統計船隻統計稅收統計之三大部分我國關冊上卷總冊例將稅收列諸冊前而貨物船隻之統計反居其後不無本末倒置之嫌此項月報擬倣照各國通例先載貨物統計次船隻統計而以稅收統計殿之庶幾所謂國外貿易月報名實足以相副而於國家提倡工商之至意亦爲不悖至貨物統計海關季冊僅列數量不列價值自應設法改良量值並載以符公約第二條之規定(三)此項月報應先列品別國別關別各表而次列月別各表及其他附表也品別統計以商品爲經以進出口貨之數量價值爲緯所以稽攷某類或某種貨物之貿易狀況國別統計以國爲經以進出口貨物之數量價值及船隻之噸數等爲緯所以明瞭吾國與他一國之商業關係關別統計以商埠爲經以進出口貨物之數量價值及船隻之噸數等爲緯所以觀察某商埠或某省之產銷情形月別統計以月爲經而以進出口貨之價值及稅收之數額等爲緯則所以考查近數年中各月貿易額之消長也歷來關冊大體自亦類此而標題方法與其排列次第尙欠詳明致使讀者有爬梳不易之感此項月報如按照上列表別加以

整理則對外貿易之狀況當更條理井然瞭如指掌職會悉心研究以爲編製月報之體例大致如上所述各表內容亦經參酌我國現情及英美日各國貿易月報之辦法酌擬要目另紙繕呈

察核惟當此試辦之初猶慮海關方面未克同時並舉爰將擬編各表分爲兩卷第一卷列主要各表第二卷列補助各表如果事實上不無困難補助各表不妨量爲減損此職會對於海關增編月報以便加入國際經濟統計公約之意見也至於海關向係每季發行之華洋貿易統計冊 *Quarterly Returns* 今既編製月報自可停版惟每年發行之華洋貿易報告統計冊 *Annual Trade Reports and Returns* 關於各通商口岸之貿易情形記錄頗爲詳賅仍可照舊辦理以供研究國內貿易者之參考其華洋貿易總冊上卷報告書及統計輯要 *Part I. Report and Abstract of Statistics* 與下卷進出口貨物類編 *Part II. Analysis* 亦可暫仍舊貫俟月報辦有成功徐圖改良以收舉一而兩得之效惟事關擴充海關統計手續頗爲繁重以現在海關組織情形究能辦到如何程度似應令由總稅務司從長擬議以期周妥是否有當理合繕具節略連同簽註及月報要目各一件又公約議定書及附件一之原文一件一併呈請

鑒核施行謹呈

部長

計附簽註一件 月報要目一件

原文國際經濟統計公約

又議定書

又附件一第一部

又附件一第二部（即區域單）

各二件

國定稅則委員會委員長張福運

總稅務司呈 關務署文第一二七三號 中華民國十九年八月七日

呈爲呈復事案奉

鈞署第二八〇二號訓令內開照錄原文等因計抄發節略及海關月報要目並公約議定書各一件奉此當經令發職署統計科稅務司許禮雅核議具復去後茲據呈復略稱查中國海關發行月報之議早經職科前稅務司馬士提出嗣後並經數次討論終以編輯人員不敷應用且各口海關多與職科相距過遠深恐出版遲延致減價值故迄今未能舉辦現在政府既亟盼加入國際經濟統計公約發行對外貿易統計月報職自應竭力贊助俾底於成伏查國定稅則委員會原條陳內開當試辦之初將擬編各表分爲兩卷第一卷列主要各表第二卷列補助各表如果事實上不無困難補助各表不妨量爲減損等語職固深表贊同惟將日本發行各表（按與國定稅則委員

會所擬各表相同）詳加參考竊以在中國海關現尙無法編製第二卷各表所需之統計據管見所及莫如於試辦之始只發行第一卷主要各表而將第二卷補助各表暫行緩辦惟按此編製尙有兩項應行先決之問題必須亟予決定茲分述如下（一）須將所擬編製第一卷主要各表之長短及性質明白規定俾便預計工作之繁簡及應需增添之人數查日本發行之各表內載進口貨類約五百種出口貨類計四百五十六種而中國海關華洋貿易總冊上卷進口貨類達九百二十三種出口貨類亦有三百九十三種如中國海關將來改發貿易統計月報時亦按上述按年總冊內所列貨類編製誠恐工作浩繁不易辦理故在職竊以爲應請國定稅則委員會將所擬發行第一卷各表內應載之各種貨物開列貨名清單以爲標準此項貨名清單如能與行將出版之新稅則貨物類編相符更爲妥善（二）關於國定稅則委員會提議將海關每年發行之華洋貿易報告統計冊照舊辦理一節職似未敢贊同蓋以此項報告雖在統計上不無價值但編製手續極爲繁重殊覺得不償失職意如必須發表按年貿易統計莫如卽在每年十二月份之統計月報內摘要刊列以備參考（此層容俟將來再行詳細考慮）此外尙有一項問題卽海關向來辦理之各項統計應否完全廢續辦理亦爲應行商榷之問題竊按中國政府及國定稅則委員會並各國所首欲明瞭者厥維中國對外貿易之詳細記錄至國內貿易情形似較無關重要且年來國內鐵道及公共道路日形發展其所運貨物有不歸海關管轄者僅按海關統計編製國內貿易報告已漸失其準確及功用故職以爲將來刊行統計月報時莫如將關於國內貿易之統計完全廢除以省手續至現在海關根據前

清宣統二年勃魯悉耳會議時議決辦法每年所發行之法文表冊現已不復適用似亦應停止出版等情據此查核該稅務司原呈內開各節似屬不無見地現擬於將來國定稅則委員會開會討論編製此項統計月報第一卷內各表應載之貨名單時令派該稅務司許禮雅列席討論俾對於該項月報印刷問題得以參加意見是否有當除將

令發海關月報要目一件遵繳外理合照錄該稅務司英文原呈備文呈請

鈞署鑒核謹呈

財政部關務署長張

附錄英文原呈一件  
繳海關月報要目一件

財政部關務署訓令第三五四三號中華民國十九年九月二十七日

令總稅務司梅樂和

爲令行事查海關編印貿易季報年報等統計書籍往往需時甚久方能出版亟應力圖振刷以期迅速而資改善茲核閱派赴英國海關行政考察員王化民等第二季報告書內第十三章所陳英國海關統計處採用 Punched-card System 既可節省時間又可節省經費而所編統計報告又極詳明準確我國海關似可仿用應由該總稅務司飭屬研究該項制度以備採用仰卽遵照辦理此令

財政部關務署訓令則字第四八六七號中華民國二十年四月九日

令總稅務司梅樂和

爲令行事關於國際經濟統計公約之對外貿易等部份我國應否加入一案前經國定稅則委員會擬議以吾國關冊有總冊年冊季冊江海等關並有日冊而月冊向未編製我國此次如允加入公約則按該約第二條之規定自應加編月報使我國對外貿易統計載入國際聯合會出版之統計月報得與當世各國此項統計互相比較未始非增進國際地位與發展國外貿易之一道等語並由國定稅則委員會將此項海關貿易月報擬具表式貨目迭與該署接洽研究現在此項貿易月報編製出版未容或緩合行令飭該署從速按照國定稅則委員會所送表式籌備出版仍將出版日期切實呈明再此案籌備接洽歷時已將一年亟應尅日實行並仰遵照此令

總稅務司呈 關務署文第一九九四號中華民國二十年四月十四日

呈爲呈請事案查前奉

鈞署第三五四三號訓令內開照錄原文等因奉此當經令飭職署統計科稅務司許禮雅詳加研究並因日本稅關久已採用此項制度故特令該稅務司前赴日本實地考察以資借鏡去後嗣據該稅務司呈稱現在對於此事研究結果竊以該項制度在中國海關確有採用之必要茲特擬具改良海關現行貿易統計報告辦法送請鑒核等情前來正核辦聞又奉

鈞署則字第四八六七號訓令內開照錄原文等因續奉此現經詳核該稅務司所擬辦法頗覺妥善茲擬自本年七月起按國際經濟統計公約之規定並照國定稅則委員會所送表式發行國外貿易統計月報卽由該科用 Punched-card 機器在上海集中編製以求出版迅速工作減少並求統計數目之更爲準確至舊有之貿易統計季報擬發行至本年底爲止以資結束本年之貿易統計年報仍擬照舊發行至國內貿易統計冊報則擬俟此項國外貿易統計月報辦理就緒後再行逐漸改良以求劃一而應需要現計照前項辦法編製須購買 Powers 牌機器兩組一組裝設江海關內用以稽核該關所收稅鈔數目並記錄上海一埠直接進出口貿易統計數目及該關統計日報所列國外直接貿易數目一組則於統計科旁另闢新室以裝設之用以編製全國海關國外貿易統計月報至購買此項機器所需之款約計金洋三萬九千六百元此項數目業已包括在職署十九年度預算書預備費內卽應由該款項下提支所有擬購機器以便編印海關貿易統計月報各緣由是否有當理合備文呈請鑒核謹呈

財政部關務署長張

財政部關務署指令總字第四九〇二號 中華民國二十年四月十五日

令總稅務司梅樂和

呈一件爲擬購 Punched-card 機器以便編印海關貿易統計月報祈鑒核由

呈悉所請購買 Punched-card 機器兩架以資編印海關貿易統計月報等應准如所擬辦理此令

## CIRCULAR No. 4251 (SECOND SERIES).

Customs Reference Library: origin, purpose, and organisation of;  
opening of, on 1st June; regulations governing, etc.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 24th June 1931.

SIR,

1.—In any modern office books as works of reference are an absolute essential, even if their number be reduced to the Spartan minimum of a dictionary, an atlas, and a year-book of some sort, such as Whitaker's Almanack. At a Government office like the Inspectorate work would be very seriously handicapped if there were not available a wide range of books of reference dealing with the many and varied interests on which reliable knowledge is necessary for the efficient administration of the Service. The late Sir Robert Hart recognised the necessity of wide and accurate information on all subjects with which the Customs was, or might be, called on to deal. In the course of his long career at Peking he built up gradually a well-selected working library, but unfortunately this was completely destroyed during the Boxer uprising in 1900. Many of the books, pamphlets, and manuscripts then lost are, alas, irreplaceable; but as soon as peace was restored the task of getting together gradually a fresh collection was taken in hand. This Peking collection fell naturally into two divisions, the one for the use of the Inspector General and the other for the general use of his Secretaries and Assistant Secretaries. The latter division came to be known as the Inspectorate Library, and from being kept in isolated bookcases in the office corridors it was finally housed in a separate room, where, thanks to the care and efforts of Mr. A. H. Forbes,\* then Assistant Secretary, the whole collection was card-catalogued and put into first-rate order. On the removal of the Inspectorate to Shanghai early in 1929 the opportunity at last arose of giving the Inspectorate Library a still wider sphere of usefulness, and so it was proposed that it should be combined with the library that had been formed by successive Statistical Secretaries at the Statistical Department and the two together turned into a Customs Reference Library, which could under fixed regulations be made available also to Chinese university students and members of the general public who desire to study questions connected with China's economic development. It was therefore suggested officially to the Kuan-wu Shu that the time had come for the establishment of a Reference Library to contain

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\* *Antea*, vol. iv, p. 295 (footnote).



all available books, reports, magazines, newspapers, documents, etc., in Chinese, English, French, German, Japanese, and Russian dealing with the trade, industry, agriculture, finance, and economic life generally of China. As you will see from the appended correspondence, the Kuan-wu Shu welcomed the idea, and with its usual liberality sanctioned an initial grant from revenue for making the necessary alterations in the ground floor of the former Postal Supply Department building on Sinza Road, for equipping it with shelves and other furniture, and for the purchase of books not to be found in the collections now handed over by the Inspectorate. Early last year (1930) Mr. Yuan Shou-yung (阮壽榮), one of our junior Customs Assistants who had had a very distinguished career at the Customs College, was selected for training as future Librarian and sent to Peiping for six months, where he was trained in cataloguing, book classification, and the general work of a library under the expert guidance of the professional librarians at the Peiping Metropolitan Library and the Peiping Union Medical College Library. Mr. Yuan made good use of his time at Peiping, and since his return to Shanghai has thrown himself with commendable energy and enthusiasm into the task of building up what is believed will in time be a genuine national asset, namely, a first-rate library of economic literature dealing directly and indirectly with China. In the meantime Mr. Davison, our Customs Architect, had got to work and gradually converted a set of rather nondescript rooms into a fine hall, which for the present provides ample space for both reading room and stack room. A separate room has also been provided for the safekeeping of the older Customs archives dating prior to 1901. The Library has been placed under the control of a Committee appointed by the Director General of the Kuan-wu Shu and the Inspector General, the present members of which are: Dr. Lee Kan (李幹), Mr. Ling Hung-lai (林鴻賚), both of the Kuan-wu Shu; Mr. H. D. Hilliard,\* Statistical Secretary; Mr. Ting

\* Herbert Duthy Hilliard was born on the 15th November 1883 at Grove Park, Kent, England, and, after education at Tonbridge School, joined the Customs Service on the 17th November 1903 as 4th Assistant, C. He served first for two and a half years at Swatow, then at Hankow for more than three years, and at Soochow for a year and a half. On return from long leave he was stationed for a few months at Nanking, and then at Shanghai, where he remained till October 1919, and where for two years he was Acting Deputy Commissioner in charge of the Out-door Staff, bonding and returns, as well as Inspector of Examiners. From November 1920 to October 1925 he was Acting Commissioner at Kongmoon. He was promoted Deputy Commissioner in April 1922 and Commissioner in April 1926. As Commissioner he served at Ichang, Mengtsz, and Soochow before being transferred in April 1929 to Shanghai to take charge as Statistical Secretary of the Statistical Department of the Inspectorate General of Customs, at which post he remained till the end of March 1932. It was during his tenure of office at the Statistical Department that two cardinal reforms in the preparing of China's Customs statistics were carried out: the one was the centralisation of the compilation of these statistics at the Department in Shanghai instead of leaving such compilation, as previously,

Kwei-tang\* (丁貴堂), Chinese Secretary; and Mr. S. F. Wright,† Personal Secretary.

2.—On the 1st June, in the unavoidable absence of the Director General of the Kuan-wu Shu, I had the pleasure, in the presence of a representative gathering of members of the Kuan-wu Shu, the Tariff Commission, and the Customs, of declaring the Library open; but as the work of re-cataloguing and classifying all the books now in the Library had not yet been completed, it could only be declared provisionally open to members of the Kuan-wu Shu, the Tariff Commission, and the Customs Service. As soon as the task of

to the individual ports; and the other was the introduction of electrically controlled tabulating machines, by the use of which it has become possible to speed up immensely the compilation of trade returns. The final five years of Mr. Hilliard's Service career were spent as Commissioner in charge at Swatow, April 1933 to March 1935; Tientsin, April 1935 to September 1936; and Nanking, October 1936 to March 1938, which latter post he was forced to evacuate owing to Sino-Japanese hostilities. Mr. Hilliard retired from the Service on the 16th November 1938. He holds the Order of the Chia Ho, 4th Class, the Ordre Royal des Millions d'Éléphants et du Parasol Blanc de Luang Prabang, France, and the Customs Gold Medal for Meritorious Service.

\* *Antea*, vol. iii, p. 635 (footnote).

† Stanley Fowler Wright was born on the 27th October 1873 at Belfast, Northern Ireland. He had a distinguished university career in his home town; was Senior Scholar and Prizeman at Queen's College (1895)—incidentally winning the same scholarship as previously held by Sir Robert Hart; graduated B.A. from Royal University of Ireland (1896) and later (1911)—during his first long leave—received his B.A. *ad eundem* and M.A. (Econ.) degrees at the Queen's University. He joined the Customs Service on the 22nd June 1903 and was stationed successively for short periods at Shanghai, Tientsin, Hankow, and Amoy, after which he served for more than three years at Newchwang (two years with the Native Customs) and was subsequently Acting Deputy Commissioner in charge of the Native Customs both at Kuikiang and at Shanghai. He was first appointed to the Inspectorate General (then in Peking) in 1920, serving as Acting Service Chief Accountant, Assistant Audit Secretary, and from March 1922 to October 1924 as Revenue Chief Accountant. He was promoted Deputy Commissioner in March 1921 and Commissioner in October 1924, when he was appointed Personal Secretary to the Inspector General, a position which he held continuously, except for two periods of home leave, until October 1933. He was compulsorily retired in 1933 on reaching the maximum age limit, but his services were retained for special duty at the Inspectorate until he finally went home in April 1938. He was subsequently appointed Non-Resident Secretary in London in January 1939. In addition to the above appointments he was concurrently Acting Vice-President and Acting Dean of the Customs College from April to October 1927, and in 1937 he was appointed secretary to Dr. H. H. Kung, Minister of Finance, to accompany him while on his special mission as delegate to the Coronation of King George VI of England. He is the author of the work "China's Customs Revenue since the Revolution of 1911," being assisted by Mr. J. H. Cubbon (S/O Cir. No. 99, *postea*, vol. v) for the third edition (1935); and he also compiled and edited—together with Mr. A. C. E. Braud (S/O Cir. No. 88, *postea*, vol. v)—the handbook "Code of Customs Regulations and Procedure." He published the scholarly work "China's Struggle for Tariff Autonomy" in July 1938; and was largely concerned with the establishment of the Customs Reference Library at Shanghai. Mr. Wright received many distinctions and decorations, including Civil Rank of the 4th Class, China, February 1908; Order of the Pao Kuang Chia Ho, 3rd Class (三等寶光嘉禾章), China, October 1927; Customs Gold Medal for Meritorious Service conferred by the Chinese Government, 1933; Order of the Brilliant Jade with Red Cravat (紅色白藍鑲領授采玉勳章) (4th Class), China, June 1937; Commander of the 2nd Class of the Order of St. Olav, Norway, September 1937. He is a Fellow of the Royal Economic Society, London, 1920.—(F.W.M.)

cataloguing, etc., has been finished and the books now under order have arrived, the Library will be thrown open to members of the general public.

3.—As every student of China is aware, the Customs Service has during the past 75 years played an important rôle in most matters having a bearing on China's finance and commerce. For present reference, therefore, and for the historian of the future it is essential that all documents bearing on Customs activities should be brought together in a central depository where they shall be safe, properly cared for, and readily accessible. Such a depository has now been provided in a special Customs archives room of the new Library, and I am issuing separate instructions to Commissioners what action they are to take in the matter.\*

A copy of the Library Regulations, as approved by the Kuan-wu Shu, is enclosed. By-laws for the use of the Reading Room, etc., will be drawn up in due course by the Library Committee.

I am, etc.,

F. W. MAZE,

*Inspector General.*

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\* These instructions were finally issued by S/O Cir. No. 91, 5th January 1933 (*postea*, vol. v), and within a year all the available Customs archives for the years prior to 1902 were got together, carefully sorted and arranged, and suitably bound. These archives are now in a special room in the Customs Reference Library, while the archives for the year 1902 and subsequent years are kept at the offices of the Inspectorate General. In the meantime the Customs Reference Library—so far as its general collection of books, papers, etc., is concerned—was thrown open to the public on the 10th October 1931 (*vide* I.G. Cir. No. 4531) and speedily became a well frequented resort for students and those engaged in research work. The Library remained till the 25th November 1936 in the rooms lent by the Statistical Department, when it was moved to the building specially erected for it on an adjoining site. This building comprises a large reading room on the ground floor, two tiers of stack rooms above with accommodation for about 150,000 volumes, and on the top floor offices for the Librarian, special research rooms, and the Customs archives room. The Library, which has now some 47,000 volumes on its shelves, has probably the richest collection of any library in the world of works dealing exclusively with the trade, industry, agriculture, finance, and economic life of China.

## ENCLOSURE No. 1.

總稅務司呈 關務署文第六三九號 中華民國十八年十一月四日

呈爲請准設立赫德紀念圖書館並擬具設館辦法具呈仰祈

鑒核事竊據職署秘書科稅務司魏爾特提出設立赫德紀念圖書館意見書一件內開（一）爲適應現在及將來需要宜設立圖書館一所儲藏與中國農工商業及財政經濟等有關之中日英法德俄文各種書籍報告報紙雜誌等項專備參考之用（二）此項圖書館以附設於總稅務司署上海造冊處內最爲適宜緣該處現有空閑房屋不難改築應用（三）爲紀念前總稅務司赫德有發展中國國內及國際貿易並爲中國圖謀與經濟有關係各種利益之功績起見宜將此項圖書館定名爲赫德紀念圖書館（四）總稅務司署圖書室及造冊處圖書室內現有之圖書等件可移置赫德紀念圖書館內作爲該館基本圖書（五）派年富學優之華籍幫辦一員充任該館館長受造冊處稅務司之監督管理館中事務但須先行派赴北平清華圖書館及北海圖書館學習管理圖書方法半年再行就職（六）該館所存各項圖書僅備參考之用不准借出館外閱覽凡各校學生以及其他中外人士如持有相當之介紹書得免費來館參考（七）請政府准由稅收項下提撥開辦費五萬元（分十個月撥付計每月提洋五千元）以備改築所需房屋及購

置書櫥暨其他傢具並添購本署及造冊處兩圖書館未經存有之書籍（八）館長及館役之薪津等項概由海關支給每年並應由海關撥付相當款項以備添購書籍之用是否有當擬請採擇施行等情據此查該稅務司擬議各節均屬切要果予核准辦理數載存書益多不難成一國中最有用之圖書館裨益學者殊非淺鮮惟是否可行理合備文呈請

鈞署鑒核指令祇遵謹呈

財政部關務署長張

財政部關務署指令第一四六四號 中華民國十八年十一月十四日

令總稅務司梅樂和

呈一件爲請准設立圖書館并擬具辦法請鑒核由

呈悉所請設立圖書館一節事屬可行應定名爲海關圖書館其經費一項可由海關預算內開支餘准如擬辦理此令

總稅務司呈 關務署文第一七三八號 中華民國二十年一月三十日

呈爲呈請事案查關於設立海關圖書館一事前經擬具中國海關圖書館章程草案呈奉

鈞署政字第四一零七號指令內開呈暨附件均悉查此項圖書館不必於章程內明白規定專供研究學術者參考之用其館內一切行政事務亦無須組織委員會辦理可由該總稅務司署職員中遴派一人充任館長執行館務或兼任或專任均無不可至關於購置及徵集各種圖書報章等項可由本署與該署合組一委員會於每年開會一次或二次審核決定之仰卽本此意旨另擬該圖書館章程呈署候核等因奉此自應遵照辦理惟其中關於組織委員會一項似屬必要之舉良以職建議設立海關圖書館之本意原期其能成一規模宏大內容豐富之圖書館俾得垂諸久遠故如非組織一項委員會總攬館政並隨時壁畫一切恐於該館將來發展及管理上難收美滿效果是以職此次改擬之中國海關圖書館章程草案除已將原擬章程草案內未盡妥洽之處遵照

鈞示意旨酌加修改外仍將組織委員會一條於該項章程內明文規定俾臻完善是否有當理合繕具改訂中國海關圖書館章程草案一份備文呈請

鈞署再加考核並乞

迅賜指令祇遵謹呈

財政部關務署長張

附章程草案一份

財政部關務署指令政字第四四六六號中華民國二十年二月十二日

令總稅務司梅樂和

呈一件遵令改擬中國海關圖書館章程草案請核示由

呈件均悉所擬草案茲經本署加以修正定爲中華民國海關圖書館章程合行抄發該總稅務司仰卽遵照此令  
附抄發中華民國海關圖書館章程一份

中華民國海關圖書館章程

第一條 本館以廣集關於本國商業財政經濟及農工業各種中外圖書論文雜誌報章俾便參考並保存海關一切檔案中與歷史有關或有保存價值之重要文件期垂久遠爲宗旨定名爲中華民國海關圖書館

第二條 本館設管理委員會由財政部關務署長暨海關總稅務司會派委員四人組織之其中一人暫以總稅務司署統計科稅務司充任另置館長一人由總稅務司署遴員充任

第三條 館長受管理委員會之監督及總稅務司署統計科稅務司之指導辦理館內一切日常事務如編訂書報分類目錄保管藏書及用具辦理來往文件管理員役執行本館章程發給入門證等事項

第四條 管理委員會處理關於本館經費之支出預算書之編造購備大宗書籍之審擇與館長所呈報告之查

核等事項每年至少開會兩次於年終造具詳細報告書及預算書分呈關務署長及總稅務司查核

第五條 本館所備各種圖書雜誌報章等項僅供參考人在館內參考非經統計科稅務司暨本館館長書面特准不得借出館外

第六條 凡欲來本館參考圖書者應先向館長索取空白請求書按式填明並覓保證人二人合具保證書一併呈送總稅務司署統計科稅務司查核俟經許可後發給入門證方准該參考人於入門證所填期間內免費到館參考

第七條 本館入門證必須經總稅務司署統計科稅務司簽字方爲有效

第八條 凡領有本館入門證者不得轉借他人違者一經查出卽永遠禁其入館參考

第九條 本館所備各種圖書雜誌報章等項倘有私自攜走或任意塗抹及毀損者應照章令其賠償並永遠禁其入館參考如該參考人拒絕賠償得依法控追之

第十條 本館所存海關檔案中各種書籍文件均應另箱保存非經 關務署長暨總稅務司書面特准不得供外界人士參閱並絕對禁止借出館外



第十一條 本館規定每日上午九時三十分起至十二時三十分止下午二時起至五時止爲開放時間（星期

日及例假日除外）但每年夏季應停止兩星期或三星期以便清理一切書籍

第十二條 本章程如有未盡事宜得隨時修改之

中華民國海關圖書館入門證請求書式

請領入門證人      擬自      年      月      日起至      年      月      日止按照規定時間赴

中華民國海關圖書館參考圖書對於館中一切規章均願切實遵守即希

賜發入門證一紙以便持用爲荷此致

海關總稅務司署統計科稅務司

請領人      （簽名）

職業

住址

中華民國      年      月

日謹具

## 保證書式

保證人

茲保證

君誠實妥靠能遵守

中華民國海關圖書館一切規章應請

准其入館參考圖書爲荷此致

海關總稅務司署統計科稅務司

姓名

住址

姓名

住址

中華民國

年

月

日謹具

附註一 入館參考期間最多以一年爲限期滿後必須另具請求書俟核准換給新入門證方可繼續入館

參考

附註二 請求人如係上海各大學或專門學校之學生其保證人之一應爲該本校校長

## 中華民國海關圖書館入門證式

爲發給入門證事茲有

先生於  
女士於

年

月

日起至

年

月

日止准

入本館參考圖書對於館中一切規章務須恪切遵守合特給此爲證

海關總稅務司署統計科稅務司

(簽名)

中華民國海關圖書館館長

(簽名)

日給

中華民國

年

月

## 中華民國海關圖書館學生入門證式

爲發給入門證事茲有學生

君於

年

月

日起至

年

月

日止准

入本館參考圖書惟對於館中一切規章務須恪切遵守合特給此爲證

海關總稅務司署統計科稅務司

(簽名)

中華民國海關圖書館館長

(簽名)

粘貼照片處

中華民國

年

月

日給

## ENCLOSURE No. 2.

REGULATIONS OF THE CUSTOMS REFERENCE  
LIBRARY.

1.—This Library shall be known as the Chinese Customs Reference Library of the Republic of China.

2.—The purpose of the Library shall be (a) to form as complete a collection as possible of books, pamphlets, papers, etc., dealing with the trade, industry, agriculture, and economic condition and development of China generally; (b) to provide facilities to accredited persons for the use of this collection; and (c) to create a safe depository for the more valuable of the Customs archives, which for historic and other reasons are deserving of preservation.

3.—The control of the Library shall be vested in a Committee of four, to be appointed by the Director General of the Kuan-wu Shu and the Inspector General of Customs. Of these four, one shall be the Statistical Secretary for the time being.

4.—This Committee shall meet at least twice a year to receive reports from the Librarian, to authorise necessary expenditure, and to transact any other business connected with the administration and maintenance of the Library.

5.—Every year the Committee shall prepare a report and budget for submission to the Director General of the Kuan-wu Shu and the Inspector General of Customs.

6.—The ordinary current work of the Library, such as the classifying and cataloguing of books and papers, the preparation of subject indexes, the care and preservation of the contents of the Library, the conducting of all necessary correspondence, the control of the Library staff, the enforcement of the Library regulations, and the issuing of Cards of Admission to make use of the Library shall be attended to by the Librarian under the immediate supervision of the Statistical Secretary. No Card of Admission shall be valid without the Statistical Secretary's signature.

7.—The books, pamphlets, papers, etc., deposited in the Library are to be used only within the Library premises. No book, pamphlet, paper, etc., may be loaned out without the written authorisation of the Statistical Secretary and the Librarian.

8.—Persons desiring to make use of the books, etc., in the Library and of the Library Reading Room shall fill in an Application Form, to be obtained from the Librarian, addressed to the Statistical

Secretary, who, on being satisfied that the applicant is qualified to make use of the Library, will issue to him a Card of Admission entitling him to the free use of the Library during the time specified on the card.

9.—Cards of Admission are not transferable. Persons found guilty of a breach of this regulation will be denied future access to the Library.

10.—Persons found guilty of removing without authorisation any of the books, pamphlets, papers, etc., of the Library, or of marking, defacing, or injuring in any way such books, pamphlets, papers, etc., will be required, if necessary by the process of law, to make good the loss or damage done and will be denied future access to the Library.

11.—The books, manuscripts, etc., constituting the Customs archives shall be kept in special cases, and shall not be available for reference without the written authorisation of the Director General of the Kuan-wu Shu and the Inspector General of Customs. In no circumstances shall Customs archives be loaned out.

12.—The Library will be open every day except Sundays and holidays from 9.30 a.m. to 12.30 p.m. and from 2 to 5 p.m. During the summer it will be closed for from three to four weeks for cleaning purposes.

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CIRCULAR No. 4253 (SECOND SERIES).

**Exemption Certificates: to cover duty-paid foreign imports conveyed by rail between Harbin, Dairen, Antung, Newchwang, Tientsin, and Chinwangtao: issue of, authorised; I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 27th June 1931.

SIR,

1.—The opening of Shenyang (瀋陽), or Moukden, as it was then usually called, and of Antung (with Tatungkow) as places of international residence and trade was provided for by Article XII of the 1903 Commercial Treaty between the United States and

China\* and by Article X of the Commercial Treaty of the same year between Japan and China.† Two years later the Manchurian Convention with Japan, signed 22nd December 1905, by Article I of the Supplementary Agreement‡ threw open on the same terms 16 places in the Three Eastern Provinces, viz.: Sinminfu (新民), Tiehling (鐵嶺), Tungkiangtze (通江子), Fakumen (法庫門), Fenghwangcheng (鳳凰), and Liaoyang (遼陽), in the Fengtien province; Changchun (長春), Kirin (吉林), Harbin (哈爾濱), Ninguta (甯古塔), Hunchun (琿春), and Sansing (三姓), in the Kirin province; and Tsitsihar (齊齊哈爾), Hailar (海拉爾), Manchouli (滿洲里), and Aigun (愛琿), in the Heilungkiang province. Nothing, however, could be done at that time to give effect to these articles, owing to the Russo-Japanese War, and even after the close of the war no official opening could be held until after the evacuation of the Japanese army of occupation, which took place in 1906. As soon as the foreign Consuls took up their residence in Moukden, a controversy at once arose between the Treaty Powers and the Chinese Government on the exact interpretation to be placed on the terms of the treaty articles by which China had undertaken to open Moukden as a place of international residence and trade. The Chinese text contains the expression 由中國自行開埠通商, and on the strength of it the Chinese maintained that Moukden and the other Manchurian marts, as they were called, were not treaty ports in the usual sense, but simply inland cities, in specified areas of which foreign trade and residence would be permitted under regulations to be drawn up by China herself: that is to say, foreign goods might be brought into these areas on the payment of the Tariff import duties, but, if moved out again, except abroad or to a treaty port, would be liable to the Likin taxation of the province. The foreign Governments concerned, however, declined to accept this interpretation, claiming that the term "inland mart" connoted the whole of each open city and its suburbs, within any part of which foreign goods might be delivered upon payment of duty. This controversy has never been decisively settled, the Chinese Government consistently refusing to recognise Moukden as being on the same status as a treaty port.

2.—To provide a properly trained Customs staff for so large a number of marts at a moment's notice was obviously an impossibility. There were also at that time well-known political complications which could not be ignored—Russia claiming rights and privileges

\* *Vide* "Treaties, Conventions, etc.," vol. i, *op. cit.*, p. 754.

† *Vide* "Treaties, Conventions, etc.," vol. ii, *op. cit.*, pp. 621, 622.

‡ *Vide* "Treaties, Conventions, etc.," vol. ii, *op. cit.*, p. 638.

in the northern area of Manchuria and Japan in the southern. Furthermore, the interests and wishes of the Manchurian provincial authorities demanded recognition, so that, all things considered, the problem of providing the places opened to trade in Manchuria with adequate Customs facilities acceptable to all concerned was not one easy of solution. Sir Robert Hart clearly saw that nothing could be gained by rushing matters, and so ordered a preliminary investigation to be carried out by the Commissioners then functioning at Antung, Moukden, Kirin, and Harbin.\* By December 1907 things had so far taken shape that the Inspector General was able to announce the decision of the Government to introduce a system of Special Exemption Certificates by which foreign import duty-paid goods as well as native export and coast trade duty-paid goods might be conveyed free of inland taxation from certain specified treaty ports to any of the opened Manchurian trade marts irrespective of mode of transport. At first the treaty ports authorised to issue these Certificates were limited to the four—Tientsin, Newchwang, Antung, and Dairen;† later on Chinwangtao,‡ Hunchun, and Lungchingsun§ were added to the list. In effect, this meant that, so far as the duty treatment of foreign duty-paid imports and of native duty-paid exports was concerned, these so-called “inland marts” were not regarded as inland places at all, but were dealt with as if they were ports on the seacoast. For 20 years these Special Exemption Certificates continued to be issued, but in October 1926 the Fengtien authorities complained to the Peking Government that the privilege had been grossly abused by unscrupulous merchants to the detriment of the provincial revenue, pointing out at the same time that trade at the Manchurian marts had developed sufficiently to require no special encouragement, and requested that the use of these Certificates be abolished. In December of that year the Government decided to accede to this request and accordingly instructed the Inspector General to cease the issue of Manchurian Special Exemption Certificates as from 16th January 1927 and that ordinary Exemption Certificates were to be issued instead to cover duty-paid foreign and native goods when sent from Tientsin, Newchwang, Antung, and Dairen to trade marts in Manchuria. The Inspector General pointed out the difficulties of enforcing such an order and suggested instead the adoption of a modified Transit Pass system. As this suggestion was not acceptable to the Moukden authorities, the Government repeated its order for the abolition of the Special Exemption Certificates, and by November 1927 Antung and

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\* *Vide* I.G. Cir. No. 1441, *antea*, vol. ii, pp. 587–590.

† I.G. Cir. No. 1472, *antea*, vol. ii, pp. 599–603.

‡ I.G. Cir. No. 1499.

§ I.G. Cir. No. 3374.

Newchwang were no longer issuing such Certificates, the supply having been exhausted and the Moukden authorities having refused to issue any further supplies. Dairen, however, still continued issuing such Certificates, principally to cover goods consigned to Harbin.

3.—This anomalous state of affairs naturally resulted in conferring an unfair advantage on Dairen, as merchants desirous of obtaining such Certificates diverted their imports from Newchwang and Antung to Dairen. The attention of the Moukden authorities was drawn to this, and they were again urged to authorise the reintroduction of the Special Exemption Certificates at those ports where issue had ceased. Moukden refused, pointing out at the same time that merchants wishing to send foreign imports inland into Manchuria could avail themselves of Transit Passes. The recent abolition of such Passes deprives this argument of the force it had, and merchants, particularly at Newchwang, are once more pressing for the revival of the Special Exemption Certificate system. Such a revival, valid for all Manchurian ports, without the full consent of the Moukden authorities, is, of course, out of the question; but at least the position of merchants at Newchwang, Antung, and Dairen who wish to send foreign duty-paid imports by rail to Harbin can and should be equalised. I accordingly submitted the matter to the Kuan-wu Shu, and, as you will see from the copy of the appended correspondence, the Shu has approved my recommendations and now directs—

- (1) That the issue of Special Exemption Certificates by the Dairen Customs is to cease forthwith;
- (2) That in future foreign duty-paid imports may be sent by rail direct, preferably under through bill of lading, to Harbin from Tientsin, Chinwangtao, Newchwang, and Antung, and *vice versa*, and between any two of these places (*vide* Circular No. 3200),\* under Exemption Certificates, which must accompany the goods they cover; and
- (3) That this Exemption Certificate privilege be operative also at Dairen for foreign goods which have paid import duty at Dairen when sent by rail direct to Harbin, but shall not be applicable to foreign duty-paid imports reimported into China through Dairen (*vide* I.G. Circular No. 4230).†

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\* *Antea*, vol. iii, pp. 624–627.

† *Antea*, vol. iv, p. 463.



4.—At the risk of repetition, I wish to make quite clear that this new procedure of issuing ordinary Exemption Certificates to cover foreign duty-paid imports conveyed by rail between certain specified ports in North China and Manchuria—

- (1) Is strictly confined to foreign duty-paid imports and, unlike the former Special Exemption Certificate procedure, is not applicable to native goods;
- (2) Is only to afford proof that the amount of import duty leviable on foreign cargo which the Certificates cover has been paid and to protect such cargo from further Maritime Customs taxation at a second port, but not to entitle the said cargo to any other privileges; and
- (3) Is not to be extended to any port or mart other than those specified above.

In view of the fact that as yet the Customs has no checking and examining establishment at Changchun (長春), the junction of the South Manchuria and Chinese Eastern Railway systems, Commissioners at the places specified are to take every precaution possible to see that no substitution has taken place in goods arriving by rail under cover of Exemption Certificates. To assist in this, Commissioners at place of entrainment of such goods should forward by express letter to the Commissioner at place of destination a special train Clearance Record (*vide* Circular No. 3686) giving, in addition to the usual particulars, the date and hour of departure of train and, in the case of the goods being placed on through wagons, the numbers of the wagons concerned. A reasonable time limit should be allowed for such Exemption Certificate goods to reach their declared destination. Failing delivery at destination in due time, the consignor is to be called on for proof that the goods in question have not been delivered at some place other than the declared destination, and, if no such proof is forthcoming, he is to be fined according to the gravity of the offence and/or be deprived of the privilege of sending Exemption Certificate goods by rail. If necessary, a bond may be taken to this effect.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE.

總稅務司呈 關務署文第二一〇六號 中華民國二十年五月十五日

呈爲呈請事案查前清光緒三十三年間前總稅務司爲招徠外商振興東三省商業起見曾條陳前稅務處凡洋土各貨由天津牛莊安東大連等關運往東三省新開各埠准予發給免重徵專照俾免重徵並擬訂試辦章程備具第三九四號文申呈前稅務處核准咨由外務部照會駐京各國公使轉飭遵辦並歷經辦理在案至民國十五年十月間奉天省長以奉省開埠已久商賈輻輳無用招徠且領專照者日趨冒濫各稅局稅收損失不貲請將專照試辦章程轉令廢止咨經前稅務處以第九五八號令飭前總稅務司擬議具復前總稅務司以此項專照係根據前清光緒三十一年中日會議東三省事宜附約第一款應行規定之章程並經外務部照會各國駐京公使未便任意予以撤銷等語備具致字第三五二號文呈復去後旋奉前稅務處第一一七一號令開奉天省長咨請廢止東三省各海關給發洋土貨免重徵專照試行辦法已由外交部向使團聲明應自民國十六年一月十六日起將該項試辦章程廢止嗣後洋土各貨由天津牛莊安東大連等關改運東三省內地各商埠者改發各海關通用之免重徵執照等因經前總稅務司於民國十六年一月間用雨字第二號文呈復以海關通用之免重徵執照係於貨物運往通商口岸者始

行發給若貨物運經東三省未設海關之商埠即不能發給此等執照且廢止免重徵專照章程既經照會外交團總稅務司甚願俟悉外交團之答復再通令各關遵照等語當奉前稅務處第二〇九三號函開外交團方面無論如何答復應由外交部與之交涉至海關通用之免重徵執照既不適用於東三省內各商埠應即另擬相當辦法等因嗣前總稅務司所擬改用洋貨入內地子口單之辦法奉天省長方面以辦法紛繁考核困難聲明否認前稅務處復以第二一〇六暨二二二六號函先後飭令前總稅務司另行籌擬相當辦法經前總稅務司以除前次所擬之子口稅單外實難擬議他項解決辦法等語用第二二一一號函復請核辦去訖嗣奉天省長以奉省實行廢止專照業經分別布告咨令各在案山海安東兩關均已遵照辦理大連一關仍時有發給專照情事請轉令大連關以後不得再發並以專照既廢不必復籌改發他照亦無須別定辦法等語先後咨經前稅務處以第八六〇號及第八八九號令行知前總稅務司遵照辦理各等因而前總稅務司始終未轉令各關廢止此免重徵專照試辦章程之沿革情形也查天津牛莊安東等關所發專照係由各該關監督印製自民國十六年一月間即停止印發大連關則由該關稅務司印製迄未廢止故此項專照他關早經取銷大連關則至今仍行照發至牛莊等埠自前項專照停發之後所有運赴哈爾濱洋貨曾改用洋貨入內地子口單現子口稅已奉

政府明令裁撤則牛莊等埠商人既無子口單可領復無免重徵專照凡已完稅之洋貨運赴哈爾濱仍須重納進口稅而由大連運哈之貨以有免重徵專照之故獨能邀免是同一洋貨運至同一區域而徵免各異在商人既有榮枯之別在海關稅法亦有紛岐之嫌將何以泯煩言而彰公道職再四思維牛莊等關實行廢止免重徵專照試辦章程迄今數年外交團既無何項技節應請將大連關免重徵專照援案停發而現在情勢變遷如於有海關地方改發海關通用之免重徵執照已無窒碍難行之處所有已完進口稅之洋貨由鐵路往來運輸於哈爾濱大連安東牛莊秦王島天津各埠擬請准予一律發給海關通用之免重徵執照如此辦理則商人無慮偏枯而關稅可期劃一似屬兩有裨益所擬是否有當理合照錄洋土各貨由天津牛莊等埠運往東三省新開各埠試辦章程一份備文呈請

鑒核訓示遵行謹呈

財政部關務署長張

附章程一份

總稅務司呈 關務署文第二二〇一號 中華民國二十年六月十七日

呈爲呈請事案查擬請停發大連關免重徵專照並將已完進口稅之洋貨由鐵路往來運輸於哈爾濱大連安東牛莊秦王島天津各埠者發給海關通用之免重徵執照一案呈奉

鈞署則字第五二一五號指令內開呈悉大連關所發免重徵專照應即停發其已在大連安東牛莊天津各埠完納進口稅之洋貨應准發給海關通用之免重徵執照藉免重徵進口關稅惟此種洋貨如由大連復運進口此項執照仍不適用仰即遵照等因奉此自應通令各關遵照辦理茲按

鈞令意旨擬具英文通令底稿一件究竟是否可行理合照錄原稿備文呈請

鑒核伏乞

指令祇遵謹呈

財政部關務署長張

附令稿一件

財政部關務署指令則字第五五一八號 中華民國二十年六月二十二日

令總稅務司梅樂和

呈一件爲呈奉令准停發大連關免重徵專照並對已完進口稅之洋貨由鐵路往來運輸於哈爾濱大連安

東牛莊天津各埠者發給海關通用之免重徵執照茲擬具通令底稿請核示由

呈悉准如所擬底稿通令各關遵照惟應加具聲明海關發給之免重徵執照僅係證明該項洋貨應繳之進口稅業已照繳得在第二埠不再繳納並無其他利益以免有所誤會仰即知照此令

## CIRCULAR No. 4273 (SECOND SERIES).

**Ports of call on Upper Yangtze: evil of "pidgin" cargo traffic;  
opening of Patung, Wushan, Kweifu, Yünyang, Chungchow,  
Fengtü, Fowchow, and Changshow; I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *22nd July 1931.*

SIR,

1.—During the past six years the question of "pidgin" cargo, that is, broken lots of unmanifested duty-paid foreign goods and odd consignments of native goods—mostly smuggled—carried on steamers between Ichang and Chungking has been a perennial source of debate and of not a little forcible and illegal action on the part of traders wishing to avoid payment of freight to the shipping companies and at the same time to trade to places not opened by treaty or by express sanction of the higher authorities. The placing of such goods on board without Customs documents of any kind was an open violation of Customs regulations, while the inclusion among them of non-duty-paid articles was, of course, barefaced smuggling. To these offences was added the further one of landing and shipping these goods at unauthorised places. In defence, however, of these unauthorised practices it is only fair to point out that the chief reason for this technically illegal traffic was the fact that steam transport was fast supplanting, and bade fair entirely to supplant, transport by junk. As places between Ichang and Chungking which for generations had been open to junk traffic were not open to steam traffic, it followed that merchants were practically forced into a position of opposition to the law if they wished to trade to these places.

2.—By the middle of 1926, owing largely to disturbed political conditions, which rendered difficult the opening of some of the more important of these places traded to, this "pidgin" cargo traffic had begun to assume the proportions of an organised trade, and it became imperative that the Customs should assert its right of supervision and control. When personally supervising Customs operations in this connexion the Commissioner at Ichang on one occasion was attacked by shippers and seriously wounded. Vested interests, backed by the lawless elements which the conditions then favoured, were determined that this lucrative trade should go on. Properly speaking, it was the business of the steamship companies to make

sure that no unmanifested cargo was placed on board and to see that Customs documents were produced to cover all cargo carried. The companies, however, were averse to taking drastic action, and so the Customs fell back on the system of giving owners of "pidgin" cargo every facility of conforming to Customs regulations by encouraging them to declare their cargo and by issuing to them Permits to Ship, thereby satisfying Customs formalities, without demanding the steamer company's shipping orders. This system was for a time successful, throwing, as it did, on the shipping companies the onus of allowing the shipment of "pidgin" cargo, but, as it proceeded on the assumption that all "pidgin" cargo was bound for treaty ports, it was obviously not a radical solution of the difficulty.

3.—Political conditions on the Upper Yangtze during the years 1927 to 1930 were such that Customs control of shipping and trade was incessantly challenged by locally established trade-taxing bureaux, chief among which was the Szechwan Navigation Bureau (四川航政局). With the aid of the military authorities, and by use of the military flag to cover ordinary trade, this latter bureau soon acquired control of all shipping plying on the upper reaches of the Yangtze, but, as its existence depended on the continuance and growth of trade—more especially to places not yet declared open,—it naturally became desirous that trade on the Upper Yangtze should flourish. In 1931, therefore, fearing extension of the Central Government's authority, it made overtures to the Customs of co-operation and suggested that steps be taken to legalise the trade to these non-open places. This synchronised with requests from various chambers of commerce, as, for instance, at Fowchow (涪州), Patung (巴東), and Kweifu (夔府), that the Central Government should authorise the opening of specified places on the Upper Yangtze, thereby providing much-needed centres for legitimate trade and at the same time putting an end to the chaotic conditions by which merchants shipped and landed goods, some with and some without Customs documents, at places not yet declared open by the Central Government. From the copy of the enclosed correspondence you will see that the Government has now decided to accede to this request and has ordered that the following places on the Upper Yangtze are to be opened as ports of call, but only for Chinese-flag vessels, where passengers and cargo may be freely landed and shipped, viz.:—

- (1) Between Ichang and Wanh sien: Patung (巴東), Wushan (巫山), Kweifu (夔府) (or Fengchieh (奉節)), Yünyang (雲陽); and

- (2) Between Wanhsien and Chungking: Chungchow (忠州), Fengtu (鄆都), Fowchow (涪州), Changshow (長壽).

Cargo shipped at any of these ports of call between Chungking and Wanhsien is to be examined and pay duty at Wanhsien for down-river cargo and at Chungking for up-river cargo, while cargo shipped at ports of call below Wanhsien but above Ichang is to be examined and pay duty at Ichang for down-river cargo and at Wanhsien for up-river cargo. Cargo shipped at Chungking, Wanhsien, or Ichang for any of these ports of call is naturally to be examined and pay duty at port of shipment. The rates of duty to be charged on native goods between treaty ports and ports of call are to be those of the Interport Duty Tariff.

I am, etc.,

F. W. MAZE,  
*Inspector General.*



## ENCLOSURE.

總稅務司呈 關務署文第二二〇〇號 中華民國二十年六月十六日

呈爲呈復事案奉

鈞署政字第四七七二號訓令內開奉

部長發下交通部咨一件內稱前據川江航務管理處轉呈奉巫兩縣代表呈請轉飭行川各輪恢復奉巫停輪辦法以便起卸客貨等情當經令據招商局總管理處查復稱四川內地如奉巫各縣在川輪未行駛前交通甚感不便迭經前宜昌局長聯合商會請准援照安慶大通停輪成案允華輪在巴東夔府雲陽涪州忠州豐都等埠停輪裝卸客貨於民國十四年開始通航當時規定納稅結關手續如由宜昌運往各地之貨先由輪船公司填具裝單至宜昌關完稅發給隨身放行准單後始可在各該地起卸且規定運往巴東夔府雲陽之貨均報至萬縣運經涪州忠州豐都之貨均報至重慶迨十九年三北公司吳興輪由宜駛渝裝有奉節雲陽之貨被駐軍扣輪罰款加以各地土匪出沒無常各華輪公司遂直航宜渝不在奉巫各埠停輪現如須恢復停輪之舉應由財政部轉令宜昌關對於華輪報裝奉巫各地貨物應援案准報隨身關單並在准單註明卸貨目的地得在經過之碼頭停輪裝卸並令萬縣稅捐局遵裁厘功令豁免進口稅捐俾免軍隊留難並應由劉軍長令行各駐軍隨時保護嚴防匪徒滋擾如此則華輪公司不難繼續停輪各埠航行不難恢復等情查恢復奉巫停輪係爲發展川江交通起見自應援案准報隨身關單以期便利

相應咨請轉令遵辦並見復等因准此查恢復奉巫停輪准報隨身關單各節應由總稅務司查明成案擬議核辦呈復察奪合亟令仰遵照辦理等因奉此當經分令重慶宜昌兩關稅務司核議具復去後旋據重慶關稅務司李規庸呈復稱查從前舊案所有渝宜間各地如巴東夔府雲陽涪州忠州酆都等處並未正式開放認為准予停輪上下客貨處所不過因長江上游各城市商務日見發達船運需要方殷而按諸海關章程又不准輪船在各該處裝卸客貨以致違法之運輸異常充斥是以宜昌關為酌加取締起見不能不發隨身准單以資管理凡運往各該處貨物於准單內仍填明運往重慶或萬縣蓋假定係運往通商口岸者此項辦法不啻使海關與商人兩方均處於虛偽地位係一時權宜之計並非根本解決辦法至現在輪船汽船裝載客貨往來重慶涪州酆都忠州間者日凡數艘只以各該處照章不准停輪正式起卸以故該輪等竟懸掛軍旗不就海關之範圍總之輪船運輸客貨凡為關章所不准者非暗中設法以圖偷運即明掛軍旗以作護符在職意以為莫如將宜渝間之重要城市如巴東巫山夔府雲陽酆都忠州長壽涪州等處均關為輪船上下客貨處所(Ports of call)以利商務而便管理如認為必要時可只准華輪在各該處停泊至其完納關稅辦法凡由重慶以下萬縣以上各地裝出者應在萬縣分關完稅在萬縣以下宜昌以上各地裝出者應在宜昌關完稅其由宜昌裝載運往任何輪船上下客貨處所者則在宜昌關完稅等情又據宜昌關稅務司紅松雄二呈復稱查職關從前准發隨身准單純為取締私運貨物起見現在若將巴東奉節雲陽涪州忠州酆都等處開為輪船上下客貨處所使商人正式報關納稅似較妥善等語先後呈復前來查重慶宜昌兩關稅務司擬請將宜渝間重要城市如巴東奉節雲陽涪州忠州酆都巫山長壽等處開為輪船上下客貨處所一節除巴東一處業已開闢毋庸置議外其餘辦法似尚妥善如

政府認為可以照准則嗣後對於各該處往來貨物應否按照咸豐出口稅則徵收轉口稅及洋商輪船可否准予一律在各該處停輪上下客貨之處應請

鈞署酌定飭遵至宜昌關從前所發之隨身准單既為一時權宜辦法似可毋庸恢復是否有當理合據情備文呈請

鑒察指令祇遵謹呈

財政部關務署長張

財政部關務署指令政字第五四五號

中華民國二十年六月二十四日

令總稅務司梅樂和

呈一件為交通部擬將川江各輪恢復奉巫停輪辦法一案似可將宜渝間重要城市開作輪船上下客貨處所等情由

呈悉既據稱重慶宜昌兩關稅務司所請將宜渝間重要城市除巴東已開闢外如奉節雲陽涪州忠州豐都巫山長壽等處開為輪船上下客貨處所辦法尙屬妥善自可照行至對於各該處往來貨物徵收稅項一節查前據該總稅務司呈送輪船在巴東停泊上下客貨試辦章程業經本署第五〇四三號指令核定飭遵在案各該處裝卸貨物徵稅辦法應即查照巴東成案辦理惟洋商輪船仍不准在各該處停輪上下客貨除由部咨行交通部外仰即遵照此令

## CIRCULAR No. 4295 (SECOND SERIES).

Measurement for tonnage: inspection and survey of hulls, boilers, and machinery: in future to be performed solely by Navigation Bureaux of Board of Communications; I.G.'s instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 29th August 1931.

SIR,

1.—The Treaties of 1843–44 stipulated for the levy of tonnage dues at definite rates,\* in substitution for the exorbitant and irregularly levied measurement fees that had till then prevailed at Canton,† and fixed the English ton to rule as the standard of measurement for the ascertaining of what dues were leviable. Later treaties negotiated at Tientsin and Peking lowered the rates leviable, but continued to make the dues payable on tonnage measurement and to accept the English ton as the standard.‡ Shipping agents and shipowners of to-day are, so far as tonnage dues in China are concerned, the spoiled children of fortune compared with their colleagues of the pre-treaty days. In those days a vessel

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\* Regulation V of General Regulations of Trade; Treaty of Hoomunchai; 1843 ("Treaties, Conventions, etc.," *op. cit.*, vol. i, p. 385); Art. XV, French Treaty of Whampoa, 1844 ("Treaties, Conventions, etc.," *op. cit.*, vol. i, p. 778); Art. VI, VII, American Treaty of Wangheea, 1844 ("Treaties, Conventions, etc.," *op. cit.*, vol. i, p. 679).

† Wm. C. Hunter: "The Fan Kwae at Canton," Second Edition (Shanghai, 1911), pp. 99 and 100. P. Auber: "China: an Outline of its Government, Laws, and Policy, and of the British and Foreign Embassies to and Intercourse with that Empire" (London, 1843), pp. 148, 162, 163, 166–168, 174, 202, 319. H. B. Morse: "The Chronicles of the East India Company trading to China" (5 vols., Oxford, 1926–29), Vol. I, pp. 32, 81, 199, 221, 267.

‡ Art. XXIX, British Treaty of Tientsin, 1858 ("Treaties, Conventions, etc.," *op. cit.*, vol. i, p. 413); Art. XVI, American Treaty of Tientsin, 1858 ("Treaties, Conventions, etc.," *op. cit.*, vol. i, p. 720); Art. XXII, French Treaty of Tientsin, 1858 ("Treaties, Conventions, etc.," *op. cit.*, vol. i, p. 826); Art. X, French Convention of Peking, 1860 ("Treaties, Conventions, etc.," *op. cit.*, vol. i, p. 890); Art. XXXII, Belgian Treaty of Peking, 1865 ("Treaties, Conventions, etc.," *op. cit.*, vol. ii, p. 16); Art. XXIII, German Treaty of Tientsin, 1861 ("Treaties, Conventions, etc.," *op. cit.*, vol. ii, p. 126); Art. XXVIII, Danish Treaty of Tientsin, 1863 ("Treaties, Conventions, etc.," *op. cit.*, vol. ii, p. 322); Art. VIII, Netherlands Treaty of Tientsin, 1863 ("Treaties, Conventions, etc.," *op. cit.*, vol. ii, p. 344); Art. XX, XXVII, Spanish Treaty of Tientsin, 1864 ("Treaties, Conventions, etc.," *op. cit.*, vol. ii, pp. 382, 383); Art. XXVIII, XXX, Italian Treaty of Peking, 1866 ("Treaties, Conventions, etc.," *op. cit.*, vol. ii, pp. 412, 413); Art. XVII, Trade Regulations, Japanese Treaty of Tientsin, 1871 ("Treaties, Conventions, etc.," *op. cit.*, vol. ii, p. 580). It should be borne in mind that the Chinese Government is now (1939) at liberty by the tariff relations treaties (1929–30) with the Powers concerned to alter the rates given in the above-cited treaty stipulations (*vide* I.G. Cir. No. 4584, *postea*, vol. v).

of 495 tons was obliged to pay *Tls.* 3,274 each trip for measurement, while the same vessel to-day can trade for four months on a trifling tonnage due of *Tls.* 198.

2.—Difficulties, however, in the execution of these tonnage dues clauses arose in the early sixties of last century. In the first place, although the English ton had been accepted as the standard of measurement, many countries, especially those of the North German Confederation, still continued to use various types of lasts and burdens. Disputes on account of these differences were frequent, although, as a rule, they were overcome by the application of a comparative table showing the number of each various type of last in a ton.\* In the second place, as the entry of a vessel with all particulars as to tonnage, etc., was, according to treaty, reported to the Customs by the Consul concerned, it followed that, as a rule, the Customs accepted the declaration of the Consul as to the vessel's tonnage. Then occurred a case of a vessel belonging to one of the countries of the North German Confederation in which from previous records it was clear that the amount of tonnage had been grossly under-declared. The attention of the Prussian Minister was drawn to this fraud, and he not only disapproved of the Consul's action, but ordered that the vessel was to pay on the highest tonnage ever reported. On the advice of Sir (then Mr.) Robert Hart, the Inspector General, the Tsungli Yamên decided that to prevent malpractices of this sort vessels should be measured, when necessary, and promulgated, with the approval of the Prussian Minister, a set of rules for the measurement by two surveyors, one of whom was to be the Customs Harbour Master, of any vessel flying the flag of the North German Confederation when she had no tonnage certificate or when there was doubt as to her exact tonnage.† Seven months later, at the instigation of the German Government, these rules were withdrawn, and for them was adopted the so-called Galatz table for the conversion of lasts, etc., into English tons; as this table was in use on the Danube with the approval of the Powers, the Tsungli Yamên accepted it and sanctioned its use at the treaty ports.‡

3.—During the summer of 1870, however, the Prussian Minister, acting for the North German Confederation, sent a despatch to the Tsungli Yamên in which he protested strongly against the unfair discrimination shown by the Customs in the levy of tonnage dues on North German vessels. He then went on to cite instances of this

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\* I.G. Cir. No. 17 of 1863.

† I.G. Cir. No. 20 of 1869.

‡ I.G. Cir. No. 1 of 1869.

arbitrary and invidious discrimination and claimed the immediate refund of \$500 for tonnage dues overcharged. A thorough investigation of all the cases cited by the Minister proved that instead of \$500 being due to the claimants, the sum of *Tls.* 500 was due to the Chinese Government for tonnage dues underpaid in the very cases cited. On no occasion did the Customs collect except on the tonnage reported by the Consul or the shipmaster, and while the claimants maintained that only the lowest payment ever made for each vessel should rule, the result of the inquiry—made at five different ports and involving eight different Consuls—proved that in most cases the highest amount paid was considerably less than what should have been paid. So flagrant a case of deliberate fraud necessitated a thorough investigation calling for full details of all German vessels entered, and their tonnage declared, during the nine years 1862 to 1870.\*

4.—The close of the year 1870 saw the tonnage dues question so far crystallised that a set of regulations could be issued for the general guidance of the Customs. Besides restating existing rules and granting special treatment to the vessels of a company holding a contract to carry mails, these regulations for the first time authorised the issue of a four months' special Tonnage Dues Certificate to any vessel irrespective of the place cleared for, provided such vessel applied to the Customs for measurement and paid tonnage dues on the Customs measurement. This was a very valuable privilege, as it threw open to vessels the right to trade on a four months' Tonnage Dues Certificate to such places as Bangkok, Singapore, Penang, Batavia, etc., a privilege which hitherto had been limited by treaty to Hongkong, Manila, Saigon, Japan, or Russian ports south of the Amur.† Disputes were, as before, to be settled by action under the seventh of the Joint Investigation Rules. These Tonnage Dues Regulations were from the outset an unqualified success and strengthened very considerably the hands of the Customs in dealing with the measurement of vessels for assessment of tonnage dues. Two and a half years later, June 1873, a further strengthening took place. In that year Germany (after experimenting for a short time with a ton of 1,000 kilogrammes),‡ Austria, and Spain all decided to accept the English ton as standard for tonnage dues measurement. Furthermore, the Spanish Chargé d'Affaires issued orders that provisionally all Spanish vessels coming into a Chinese treaty port were to be measured by the Customs Harbour Master and a

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\* I.G. Cir. No. 18 of 1870, *antea*, vol. i, pp. 197–201.

† I.G. Cir. No. 16 of 1870, *antea*, vol. i, pp. 186–196.

‡ I.G. Cir. No. 12 of 1872.

Tonnage Dues Certificate issued accordingly. It was also agreed by the Spanish Chargé that if the master or agent of a Spanish vessel objected to the Harbour Master's measurement, an outside marine surveyor should be appointed to settle the tonnage with the Harbour Master.\* Subsequently these provisional rules were fully confirmed.† In cases of disputes regarding tonnage of German vessels, Commissioners were instructed to accept payment on the tonnage declared by the Consul, while the agent, in accordance with the Joint Investigation Rules,‡ was at the same time to lodge a bond with the Customs for the payment of the full amount claimed, and the question was to be referred to Peking for settlement with the German Minister. The same year saw the putting into effect of the Chinese Shipping Rules, and as these rules prescribed the paying of tonnage dues by all foreign-style Chinese vessels, and as all such vessels came under the jurisdiction of the Customs for survey for the issue of a National Register, it followed that they also came under the jurisdiction of the Customs for measurement for tonnage.§

5.—During the decade 1873 to 1882 the question of Customs measurement for ascertainment of tonnage took on the form that it has preserved till our own day. Owners of, or agents for, vessels flying Treaty Power flags continued to enjoy the treaty privilege of reporting their tonnage through their Consuls to the Customs for assessment of tonnage dues, and as most countries by this time had accepted the English register ton, the use of the Galatz conversion table gradually died out. To secure correctness and uniformity, Customs measurers, when called on to measure a ship for tonnage, were instructed to be guided by Rule I of the British Merchant Shipping Act of 1854, together with the instructions published by the United States Government as to what parts of a vessel which are above the upper deck to the hull should be included.|| It was during this decade, too, that various of the Treaty Powers took up direct with the Chinese Government the question of compelling Customs measurement of their vessels when such vessels wished to enjoy the privilege of unrestricted destination without forfeiting the four months' certificate privilege, and succeeded by diplomatic arrangements in having that privilege made general without the necessity of having to submit to measurement by the Customs for

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\* I.G. Cir. No. 8 of 1873.

† I.G. Cir. No. 33 of 1874.

‡ I.G. Cir. No. 19 of 1868, *antea*, vol. i, pp. 104-119.

§ I.G. Cir. No. 9 of 1873, *antea*, vol. i, pp. 294-302.

|| I.G. Cir. No. 15, Second Series. Service Series, No. 26.—“Instructions for Measuring Vessels for Tonnage.”

tonnage.\* Sir Robert Hart's effort, therefore, to have restored to China her sovereign right of measuring any and every vessel that comes into her harbours was temporarily foiled. It was during this decade, too, that Chinese foreign-style shipping began to come into its own, and as this shipping naturally came under the surveillance of the Customs, the only Government organisation at that time capable of exercising such a function, it naturally followed that such shipping came directly under the Customs for tonnage measurement. The ninth regulation of the Tonnage Dues Regulations of 1882 was meant to bring out clearly that in the circumstances prevailing all Chinese foreign-style shipping was required to apply to the Customs to be measured for tonnage.† Finally, it became the settled practice to refer to a Joint Investigation Court any case of disputed tonnage that might arise. In order to round off Customs activities in the measurement of ships for tonnage, Sir Robert Hart ordered that, from the December quarter of the year 1883 and for each quarter thereafter, there should be published with the quarterly statistics a table giving full details of all vessels measured during that quarter.‡

6.—For the next 20 years—or up to the signing of the Mackay Treaty, 5th September 1902—China's right to measure for tonnage remained as indicated in the preceding paragraph, that is, all Chinese and non-Treaty Power vessels were measured by the Marine Department of the Customs, while Treaty Power vessels could present for tonnage dues assessment either certificates from Lloyd's or from any other recognised national authority, but, if they so wished, could avail themselves of Customs measurement. Two revolutionary changes, however, took place during those two decades (1884–1903), which marked a growth in China's control over the shipping frequenting her harbours. The first was the increase of Chinese-owned foreign-style vessels, thus giving the Customs a larger number of vessels requiring measurement for tonnage, and the second was the beginning and rapid development of steam navigation in inland waters. This latter development in its origin was not a treaty right, but a privilege granted by the Chinese Government, under certain restrictions, to Chinese and foreign shipping alike. In granting the privilege the Government stipulated that all vessels of whatever nationality to whom it was accorded should apply for a special Registration Certificate, which was to be renewed annually, should pay tonnage dues once every four months, should pay on cargo carried all the dues and duties leviable on such cargo in accordance with existing practices and rules, and, as regards

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\* I.G. Cir. No. 465, *antea*, vol. i, pp. 608, 609.

† I.G. Cir. No. 243.

‡ I.G. Cir. No. 203, *antea*, vol. i, pp. 427–436.



inspection of boilers and machinery, were to be under the regulations of their original port of registration.\* This marked the beginning of the assertion of China's right to survey the boilers and machinery of any vessel, foreign as well as Chinese, frequenting her inland waters. Prior to this date, thanks to the extraterritoriality clauses in the treaties, the only foreign vessels over which China could demand to exercise the rights of inspection and survey were those of the non-Treaty Powers, a fact which provided in this respect an exact parallel to the practice prevailing for the measurement of tonnage. So far back as 1874, when the Chinese Government found it necessary to issue regulations to govern the conveyance of Chinese passengers in foreign vessels from treaty ports to foreign places, it could legislate only for non-Treaty Power vessels and entrusted at that time to the Customs the authority to inspect all such vessels to see that the proper amount of space was provided for each passenger, that suitable lavatory and cooking conveniences were available, that adequate safeguards were provided for the protection of life in case of accidents, and that there was a sufficiency of food on board as well as a proper supply of medicines.† The issue of these Inland Waters Regulations as amended in 1898 and their confirmation and amplification by Annex C to the Mackay Treaty of 1902 soon raised at various ports practical questions as to the extent of Customs jurisdiction in the matter of survey and inspection of their inland waters vessels. The I.W.S.N. Regulations provided that the inspection of boilers and machinery, subsequently interpreted as covering also hulls,‡ should be carried out at the original port issuing the Registration Certificate, and as many of these ports had no resident Lloyd's surveyor nor any permanently resident qualified surveyor of any nationality, it followed that such vessels, which had had their licences issued by the Customs, naturally turned to the Customs for the necessary survey and inspection. If the Customs had on its staff at that port a fully trained man qualified to do the work, he was called upon to do it; but if not, the work would be entrusted by the Customs to selected and qualified engineers from among the vessels in port. To guide the ports in this matter the Inspector General issued instructions that all foreign-flag vessels engaged in inland waters trade were to produce annually, as proof of inspection of boilers and machinery, either—

- (a) A certificate by a Customs Surveyor; or
- (b) A certificate by a qualified Lloyd's surveyor; or

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\* I.G. Cir. Nos. 824 and 846, *antea*, vol. ii, pp. 138–155.

† I.G. Cir. No. 4 of 1874.

‡ I.G. Cir. No. 2620, paragraph 4, *antea*, vol. iii, pp. 387–389.

- (c) A certificate issued by a legally constituted authority of the vessel's nationality in accordance with her national laws. The local Consul might be called upon to confirm the authority and validity of the certificate, if necessary.\*

7.—Inland waters steam navigation grew by leaps and bounds. In 1900 there was for the whole country a total of 451 vessels registered and holding licences for this traffic, and by 1916 this number had risen to 1,499, a growth of over 230 per cent. in 16 years. With this growth there had also come the evils of competition, accentuated by the absence of a national legislation on the subject and of a recognised authority to enforce it. Cases of gross overcrowding and over-freighting became an everyday occurrence. At inland places there was little or no control to check these abuses, and the marvel was that so few accidents took place. Some very serious and perfectly avoidable accidents, however, did occur, marked by great loss of life. So long as there are no such incidents the public is, as a rule, indifferent, but as soon as some appalling catastrophe happens through failure to observe regulations, then the public quite rightly demands punishment of the guilty. The difficulty in many cases has been to find those who were really the culprits; but as the Customs authorities controlled all inland vessels when in harbour and in many cases issued survey certificates, blame which should have been placed elsewhere was usually attached to them. To put a check, therefore, upon the greed that makes some men indifferent to the safety of human life, the Customs adopted the procedure of having every survey certificate, no matter by whom issued, endorsed with the nature of the run for which the vessel was licensed. Four types of endorsement were authorised:—

- (a) Certified for open sea navigation;
- (b) Certified for estuary navigation;
- (c) Certified for river and lake navigation; and
- (d) Certified for creek and canal navigation.†

The purpose of this was to prevent steam vessels plying in inland waters from conveying passengers in more exposed waters than those for which they were certified and to put a stop to vessels running regularly on more exposed waters than their certificates allowed. As an additional precaution to protect life and property the Customs adopted the practice of referring to the Consular

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\* D.I.G. Circular Memorandum No. 59; I.G. Cir. No. 3261 (B. 509).

† I.G. Cir. No. 2620, *antea*, vol. iii, pp. 387–389.

authorities concerned any foreign-flag inland waters navigation vessel which was carrying more than its correct number of passengers and of disclaiming responsibility for any disaster that might occur. The only Chinese-flag vessels which did not lend themselves to civil control in this matter were those commandeered for military service, in which cases the full responsibility was thrown upon the military authorities.

8.—The next step in China's effort to gain complete control in the measurement, survey, and inspection of all vessels plying in her waters was the issue in 1910 of shipping registration regulations by the Ch'uan-chêng-ssü (船政司), or the Shipping Department of the Board of Communications. The effect of the Great War on the world's shipping roused the attention of prominent officials and merchants to the importance of Chinese-owned foreign-style shipping and to the even greater importance, from the point of view of national sovereignty and dignity, of exercising full control of all shipping, whether Chinese or foreign, trafficking in Chinese waters. A Merchant Shipping Act was needed, but in the eyes of the Government it was essential for the proper enforcement of such an Act that the existing Customs control over shipping should be transferred to a special bureau under the Board of Communications.\* General political dissension during the days of the Peking regime, and marked differences of opinion in those days between the Ministry of Navy and the Ministry of Communications on how far the jurisdiction of each of these Ministries extended in the various departments of shipping control, delayed the promulgation of any Merchant Shipping Act until December 1930. This Act, which, by the way, is not to be confused with the Chinese Code of Maritime Law, to which attention has been drawn in Circular No. 4270, *inter alia* stipulates in Section 7 that every vessel among its ship's papers is to carry a measurement certificate, a survey certificate, and a tonnage dues certificate, and in Section 42 that regulations for the survey and measurement of vessels and for the issue of the necessary certificates will be issued by the Board of Communications.

9.—As will be observed from the copies of the enclosed despatches from the Kuan-wu Shu, the Board of Communications has now acted on the terms of this Merchant Shipping Act and has established at Shanghai, Harbin, Tientsin, and Hankow Navigation Bureaux for the purpose of taking over immediately all the duties formerly performed by the Customs in the measurement of ships for tonnage, the inspection and survey of hulls, boilers, and machinery

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\* W. F. Tyler: "Pulling Strings in China" (London, 1921), pp. 272 and 273.

of steam and motor vessels, and in the issue of the necessary certificates giving the ascertained data from these operations, which documents, along with the Board's Certificate of Registration, will constitute the necessary ship's papers. As soon as possible a similar Bureau will be opened in Canton; but in the meantime the survey of ships and their equipment will remain in the hands of the local Chinese authorities as at present, while measurement for tonnage will be carried out by the Maritime Customs until a Navigation Bureau is established at Canton. With this exception and certain modifications to be noted later, I have to instruct you that all functions hitherto performed by the Customs in the measurement of vessels for tonnage, in the survey and inspection of hulls, boilers, and machinery of steam and motor vessels, and in the issue of certificates recording such operations are to cease, except in the case of Customs-owned vessels, which are to continue as heretofore to be measured and surveyed by the Surveyors of the Customs Marine Department. All certificates also, issued by the Navigation Bureaux of the Board of Communications, whether for measurement for tonnage or for inspection and survey, are to be regarded by the Customs as valid for all purposes for which similar certificates issued by Customs officials have hitherto been recognised. As the collecting of tonnage dues still remains in the hands of the Customs, you are to continue collecting these dues and issuing the necessary Tonnage Dues Certificate, [C.—50], as in the past. Fees for survey and inspection, the scales of which no longer concern the Customs when the vessels are inspected and surveyed by the Navigation Bureaux, are to be paid direct by the vessels concerned to the Navigation Bureaux. For vessels surveyed by Customs Surveyors the scale of inspection and survey fees remains unchanged. Should any dispute ever arise either between the Customs and the Navigation Bureau or between the Bureau and the ship's agent or owner over the tonnage measurement, etc., of any vessel, the case should be referred to the Inspectorate with a Chinese version of the reporting despatch in duplicate.

10.—Two other questions arise in connexion with this far-reaching change. The first is that of the validity of unexpired measurement and survey certificates, issued either by the Customs or by a qualified surveyor such as Lloyd's or a legally constituted authority of the vessel's nationality. This raises an extraterritorial issue with which the Customs is not directly concerned, except to note that in the meantime the Chinese Government will recognise as valid such survey and measurement certificates for one year from the date of issue, or from date of renewal of issue provided such

renewal fell before date of Government's notification, after which the vessels holding such outside surveyors' certificates must obtain certificates from one or other of the Navigation Bureaux. The second question is also one which raises an extraterritorial issue, namely, whether the measurement and survey certificates issued by the Imperial Japanese Marine Corporation at Dairen shall or shall not continue to be recognised. The final settlement of these questions rests with diplomacy; but in the meantime Mr. H. B. Duff, who during the past few years has been stationed at Dairen as Customs Marine Surveyor, has been instructed to remain at his port and to carry on his duties as usual as travelling Marine Surveyor for Customs craft at the northern ports, as well as surveyor of any vessel of any nationality that may desire his services.

11.—The subject of registration of vessels by the Board of Communications forms the subject of another Circular.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部關務署令政字第五六〇五號 中華民國二十年七月一日

令總稅務司梅樂和

爲令行事前奉

部長發下交通部咨一件內稱查航政局組織法業於上年十二月間奉

國民政府公布施行凡船舶之登記檢驗丈量及載線標誌等事項均歸定爲該局職掌本部自應依照辦理茲爲實施管理航政起見呈奉

行政院在上海漢口天津廣州哈爾濱五處設立航政局除廣州一局暫行緩設外其餘各局均將次第成立請自本年七月一日起凡海關對於中外船舶檢驗丈量等事項即行分別移歸各該航政局繼續辦理所有原在海關任事各員請飭開單送由各航政局酌予留用等因當經由部以關於船舶之丈量檢驗事項既准咨稱航政局次第成立責有專屬海關自可卸除管理職責惟在未經設立航政局之處有無問題應請核明見復其海關原任此項事務人員多兼他項職務其爲海關所不用者應責令海關照章辭退由貴部逕與該員訂定合同酌量任用等語咨請交通部見復去後茲准咨稱滬漢津哈各局已據呈報成立開始辦公廣州一局現雖暫行緩設惟粵省久已設有航政局管理船舶事務本部不久亦當派員設局以歸一律所有船舶之檢驗丈量等事項海關卸除職責似亦無虞窒礙至海關原用此項人員請由本部逕行任用自應照辦已飭各該局逕與接洽等因准此查各該航政局既經照章成立所有各海關兼管船

船丈量檢驗事項自文到日起應即卸除職責不再管理至原任此項事務人員其有爲海關所不需用者應即照章辭退開單送由各該航政局逕行任用合亟令仰該總稅務司遵照辦理具報此令

財政部關務署訓令政字第五七三六號 中華民國二十年七月二十一日

令總稅務司梅樂和

爲令行事前據該總稅務司陽電以海關兼管船舶丈量檢驗事項奉令卸除職責惟船隻到關向章必須呈驗執照此後應如何辦理再大連關驗船師是否照舊辦理請核示等情當經由部咨請交通部核復在案茲准咨復稱查各海關兼管船舶丈量檢驗事項既經貴部令飭卸除職責此後中外船隻入港應向該管航政局呈驗該船丈量檢驗執照凡行駛江海內河各船舶前經海關照章發給或經海關承認之外國驗船師或公司所發給之丈量檢驗及搭客各項憑照現尚在有效期間內者均准照舊通行業經本部通令各航政局一律遵照辦理在案俟前項執照有效期間屆滿後應由航政局丈量檢驗發給執照俾便通行惟大連海關向有驗船師一人專管檢驗船隻現在該地一時尙難設局擬請暫由該驗船師繼續辦理等因准此查交通部原咨所稱凡行駛江海內河各船舶前經海關發給或經海關承認之外國驗船師或公司所發給之丈量檢驗及搭客各項憑照現尚在有效期間內者均准照舊通行等語自應照辦惟此後海關祇應承認各航政局所發給之執照至大連關驗船師交通部既請繼續辦理亦可照行合亟令仰該總稅務司遵照辦理此令

## CIRCULAR No. 4296 (SECOND SERIES).

**Lisbon Conference on Unification of Buoyage and the Lighting of Coasts:  
complete list of signatures affixed to Agreements, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 1st September 1931.

SIR,

With reference to Circular No. 4177:\*

Notifying that the Conference on the Unification of Buoyage and the Lighting of Coasts was held at Lisbon from the 6th to the 24th October 1930, that general agreement was reached (1) regarding Maritime Signals and (2) regarding Manned Lightships not on their Stations, and that the Chinese Government had been advised to signify its adoption of these regulations:

and to Circular No. 4221:

Informing that the Government directed the Chinese delegation to the League of Nations to sign the two Agreements on 26th March 1931:

I have now to circulate, for your information and record, copy of Kuan-wu Shu despatch No. 5962, forwarding a complete list of signatures affixed to these Agreements up to and including 30th April 1931, the date on which the Agreements were closed to signature in conformity with Articles Nos. 4 and 3 of these respective Agreements.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. iv, p. 372.



## ENCLOSURE.

財政部關務署令政字第五九六二號 中華民國二十年八月二十六日

令總稅務司梅樂和

爲令行事查統一海上浮標燈塔會議所通過之一二兩項協定我國業經簽字前經指令知照在案茲奉部長發下准外交部函稱茲准國聯秘書長函稱該兩項協定各依其第三四兩條之規定自一九三一年四月三十日起停止簽字茲將截至日止各該協定簽字國一覽表各一份附送察閱等因相應將附到表件函送貴部查收備閱可也等由合行抄發表件各一份令仰該總稅務司知照此令

計抄發表件各一份

# AGREEMENT CONCERNING MARITIME SIGNALS.

*Lisbon, October 23, 1930.*

COMPLETE LIST OF SIGNATURES AFFIXED UP TO AND INCLUDING  
APRIL 30, 1931, DATE ON WHICH THE AGREEMENT WAS CLOSED  
TO SIGNATURE, IN CONFORMITY WITH ITS ARTICLE 4.

Germany:

GUSTAV MEYER.

Subject to ratification.

Belgium:

F. URBAIN.

Subject to ratification.

Union of South Africa:

F. F. PIENAAR.

Subject to ratification.

China:

WOO KAISENG.

Subject to ratification.

Cuba:

ARTURO LOYNAZ DEL CASTILLO.

Subject to ratification.

Free City of Danzig:

SOLSKI, Capitaine de frégate.

Subject to ratification.

Spain:

JOSÉ HERBELLA.

RAFAEL ESTRADA.

Subject to ratification.

Esthonia:

T. GUTMAN.

Subject to ratification.

Finland:

SAKARI TAINIO.

Subject to ratification.

France:

P. H. WATIER.

Subject to ratification.

Morocco:

A. DE ROUVILLE.

Subject to ratification.

Tunis:

A. DE ROUVILLE.

Subject to ratification.

Greece:

D. RASI-KOTSICAS.

Subject to ratification.

Monaco:

COMTE C. J. H. DE BOBONE.

Subject to ratification.

The Netherlands:

P. VAN BRAAM VAN VLOTEN.

Subject to ratification. The present signature does not include the Netherlands East Indies, Surinam and Curaçao.

LANGELEER.

Subject to ratification, and understanding that this signature does not assume any obligations of the Netherlands Government in respect of the Netherlands Colonial Territories in the East and West Indies.

Poland:

SOLSKI, Capitaine de frégate.

Subject to ratification.

Portugal:

ERNESTO DE VASCONCELLOS.

MANOEL NORTON.

Roumania:

C. ANTONIADE.

Subject to ratification. (The signature by Roumania was made definitive as from June 1, 1931.)

Sweden:

ERIK HÄGG.

Subject to ratification.

Yugoslavia:

I. CHOUMENKOVITCH.

Subject to ratification.

Union of Soviet Socialist Republics:

S. J. BRATMAN BRODOWSKY.

Certified true copy.

For the Secretary-General:

*Legal Adviser of the Secretariat.*

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AGREEMENT CONCERNING MANNED LIGHTSHIPS  
NOT ON THEIR STATIONS.

*Lisbon, October 23, 1930.*

COMPLETE LIST OF SIGNATURES AFFIXED UP TO AND INCLUDING  
APRIL 30, 1931, DATE ON WHICH THE AGREEMENT WAS CLOSED  
TO SIGNATURE, IN CONFORMITY WITH ITS ARTICLE 3.

Germany:

GUSTAV MEYER.

Subject to ratification.

Belgium:

F. URBAIN.

Subject to ratification.

Great Britain and Northern Ireland,  
and all parts of the British Empire  
which are not separate Members of  
the League of Nations:

I declare that my signature does  
not include any colonies,  
protectorates or territories  
under suzerainty or mandate.

JOHN BALDWIN.

India:

I declare that my signature does  
not include any of the  
Indian States under British  
suzerainty.

EDWARD HEADLAM.

China:

WOO KAISENG.

Subject to ratification.

Cuba:

ARTURO LOYNAZ DEL CASTILLO.

Subject to ratification.

Denmark:

WILLIAM BORBERG.

Free City of Danzig:

SOLSKI, Capitaine de frégate.

Subject to ratification.

Spain:

JOSÉ HERBELLA.

RAFAEL ESTRADA.

Subject to ratification.

Esthonia:

T. GUTMAN.

Subject to ratification.

Finland:

SAKARI TAINIO.

Subject to ratification.

France:

P. H. WATIER.

## Morocco:

A. DE ROUVILLE.

## Tunis:

A. DE ROUVILLE.

## Greece:

D. RASI-KOTSICAS.

## Monaco:

COMTE C. J. H. DE BOBONE.

## The Netherlands:

P. VAN BRAAM VAN VLOTEN.

The present signature does not include the Netherlands East Indies, Surinam and Curaçao.

LANGELER.

Understanding that this signature does not assume any obligations of the Netherlands Government in respect of the Netherlands Colonial Territories in the East and West Indies.

## Poland:

SOLSKI, Capitaine de frégate.  
Subject to ratification.

## Portugal:

ERNESTO DE VASCONCELLOS.  
MANOEL NORTON.

## Roumania:

C. ANTONIADE.  
Subject to ratification. (The signature by Roumania was made definitive as from June 1, 1931.)

## Sweden:

ERIK HÄGG.  
Subject to ratification.

## Yugoslavia:

I. CHOUMENKOVITCH.  
Subject to ratification.

## Union of Soviet Socialist Republics:

S. J. BRATMAN BRODOWSKY.

Certified true copy.

For the Secretary-General:

*Legal Adviser of the Secretariat.*

CIRCULAR No. 4297 (SECOND SERIES).

Flood of 1931: report on.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 3rd September 1931.

SIR,

It is desirable to place on record a brief description of the recent disastrous flood in the Yangtze Valley, and I append hereto my telegram to the Minister of Finance and a short report, with appendices, which I submitted to the Government on the subject.

I was requested by His Excellency Dr. T. V. Soong a few weeks ago to visit Hankow in order to ascertain at first hand for his information the conditions now unfortunately prevailing in the stricken area, and the narrative attached hereto deals with the question and furnishes statistics of water-levels, etc., which enable comparisons to be made with former calamities of a similar nature on the river.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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ENCLOSURE No. 1.

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TELEGRAM FROM INSPECTOR GENERAL TO  
MINISTER OF FINANCE, DATED HANKOW,  
21st AUGUST 1931.

Flood conditions in Hupeh districts are more severe than elsewhere and the execution of immediate relief measures in Hankow is urgently required. Estimated number of refugees in neighbourhood 350,000. Food and shelter being immediately required suggest despatch of supply ships with foodstuffs, dried fish, grain, cereals, medical supplies, disinfectants, etc.; and of credits to local banks for purchase of matting, etc., free of duty for construction of shelters. Chinese authorities concerned (civil and military) ought to be instructed to remove forthwith, by force if necessary, refugees now crowded for safety on dikes, etc., in vicinity of city to provisional concentration camps on high ground beyond reach of flood away from city; question of relief for reconstruction of property must necessarily await subsidence of flood and detailed information on subject. Unless refugees are removed as recommended above, sanitary conditions of city and neighbourhood will become more dangerous and outbreak of epidemics more likely. Exportation of cereals and foodstuffs from Yangtze ports, unless expressly for flood relief purposes, ought to be prohibited conditionally. Conditions east of Grand Canal serious, but owing to interrupted communications

and cessation of steam traffic difficult collect details; in Nanking civic authorities are dealing with local distress and reports from outlying districts are incomplete and inconclusive; and Wuhu and Kiukiang report many refugees, but authentic information from outlying districts unobtainable at present. Reports from Changsha, Shasi, Ichang, and Chungking not yet to hand.

MAZE.

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ENCLOSURE No. 2.

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REPORT ON FLOOD, 1931.

1.—The primary cause of the unprecedented and disastrous flood of 1931 was the occurrence of abnormal rainfall in several districts of the valley simultaneously, and the cataclysm, therefore, was not due to exceptional conditions in the upper sections of the river, as has been erroneously alleged. In support of this view, I may cite the fact that while the water-marks in Hankow and other Lower Yangtze ports registered *record* figures, the level of the river at Ichang was many feet below the record there (*vide* Appendix No. 3). Past experience, moreover, has demonstrated that when the Tungting and Poyang Lakes are in flood simultaneously, the Yangtze in the vicinity of Shasi, Hankow, and Kiukiang is banked up and overflows its banks at various points.

While we have thus seen that the abnormal rainfall in the Yangtze districts was the main cause of the flood, it should be remembered that there are extensive riparian areas, etc., bounded to the north by the Yangtze and to the south by the Siang River and Tungting Lake, which normally flood annually and form the natural safety-valve when the river has risen to a certain level.

Afforestation on a large scale might reduce the danger of serious floods, but cannot be developed for many years, and in the meantime it is essential that the Yangtze Valley should be controlled by one Central Flood-prevention Authority that should be empowered to arrange for effective diking of areas of refuge at frequent intervals on the river banks, allowing the rising waters to overflow the banks in certain other places as much as may be necessary to regulate the

height of the river and thus preserve from inundation large cities and densely populated districts. Normal floods, properly controlled, are not wholly destructive and can be used to the advantage of the people, as the periodical flooding of different localities fertilises and gradually raises the soil. The whole of the plain from Ichang to the sea, for example, is alluvial, having in the past been raised to its present level in this manner by floods and silt deposit, and any attempt unduly to upset Nature's action in this direction may occasion grave risks. In other words, if a too elaborate system of dikes is devised the high-water level of the river, as in the case of the Yellow River and the Mississippi, will eventually be raised to abnormal heights above the level of the plain, with disastrous results! And in regard to liquidating the cost of flood prevention, it is customary to impose a so-called dike tax based on a percentage of the Customs duties of the port concerned, and it is suggested that the rate of these dike taxes should be lowered and that a super-land tax, in addition, ought to be imposed upon the areas protected. Such a tax would amount to a trifling charge upon each *mou* of land saved from flooding. In the absence of more exact data on the subject, and pending further investigation, it would be difficult to furnish definite figures indicating the extent of the taxation required, but if a Central Flood-prevention Authority is established, as suggested above, the matter ought to be dealt with by it.

It is fitting to state, incidentally, that the general system of dikes on the river has been moderately well conceived from each locality's point of view and for normal conditions. Their construction was satisfactorily executed in the first instance, but, notwithstanding their local importance, they have in some cases been permitted to fall into a state of disrepair, and the present official control over them, as already indicated, is inadequate.

2.—Before furnishing details connected with flood conditions, water-levels, etc., and comparative figures in respect of rainfall, etc., I desire to correct an impression which seems to have been fostered by certain press reports and propagandists that the position of Hankow and its environs to-day is due to the failure of the Chang Chih-tung Dike (張公堤), which protects the area behind the city. This is untrue. This dike, which is about 56 feet above zero, had not failed up to the 20th August, and the area concerned at the back of Hankow was flooded first by the failure of the railway embankment, which is 51 feet above zero. But even if this latter embankment had not broken, the area concerned would still have suffered, because the river ultimately rose to 2 feet  $7\frac{3}{4}$  inches above its level! The

main part of the city and the Special Areas are all outside the area hitherto protected by the above dike and embankment (*N.B.*—The Chang Chih-tung Dike may be said to cover three sides of the parallelogram, and the railway embankment the remaining side), and their deplorable plight to-day is the result of the unprecedented high river levels, and not to the failure of dikes. Seeing that the river has never risen above 50 feet 6 inches since 1870, I consider that the Railway Administration were justified in fixing their embankment at 51 feet above zero.

I understand that it has been suggested that extensive dredging would assist in the prevention of floods, but it ought to be considered that any dredging scheme for the enlargement of the channel would probably be futile—and at any rate would necessarily be of an experimental nature,—in view of the fact that the quantity of silt moving annually vastly exceeds any conceivable artificial excavation.

I attach a series of photographs to this report (*vide* Appendix No. 7), which present a more realistic impression of the disaster than could be conveyed by pages of descriptive matter. From Nanking to far above Hankow we find with monotonous regularity the same deplorable conditions—drowned cities on the river banks with water reaching to the eaves of houses; crowds of unfortunate refugees huddled together on the precarious remnants of dikes, etc., or camped out, with what could be saved of their heterogeneous collections of household effects, on improvised staging above the level of the water; while on the river itself *débris*—including innumerable coffins from inundated graves, roofs of houses, matting and bamboos from ruined buildings, etc., on which forlorn dogs, etc., frequently found temporary sanctuary—is being rapidly borne onward towards the sea. In Hankow, and probably in many other towns similarly situated, the streets are covered by from about 4 to 9 feet of water: sufficient in places to float a small river steamer! Sampans, rafts, and tubs, etc., have replaced vehicles in such places, and locomotion (or rather navigation) is frequently retarded by collisions, and by men slowly wandering about up to their necks in the stream. In the vicinity of the refugee encampments in Hankow the water has already become foul and noisome, and these conditions will be accentuated as time progresses, and as the level of the river recedes. So far as can be judged at present the flood from Wuhu upwards to above Hankow seems to extend completely over what may be styled the area of oscillation of the river—that is, the land lying between the foot-hills on both sides of the existing bed of the Yangtze, which varies in extent from about 5 to 10 or more miles.



3.—Ichang reports that up to the 15th August the port and its environs had not suffered to any great extent; that in the districts north, south, and west of Ichang and in the direction of Shasi some crops have been destroyed; and that up to date there had been no urgent necessity for relief measures.

Shasi reports are not yet to hand.

Changsha reports that Central and Southern Hunan and the Changsha district are only partially affected; and that 54 out of 75 *hsien*—all in the Tungting Lake region—have been affected. At Changsha the water-levels reached 31.2 feet in April and 29.9 feet recently, as compared with the record of 41 feet. The position in the Tungting Lake area is clearly the result of the rise in Yangtze levels.

Hankow reports that approximately half of Hupeh is flooded. The damage to property is said to be colossal, but it is too early to give any definite figures in regard to loss of life and persons rendered homeless. The plight of Hankow and parts adjacent to the river can be conceived by a study of the photographs accompanying this report.

Kiukiang reports that approximately one-fifth of the province of Kiangsi is under water. Crops in Northern Kiangsi have been seriously damaged, but in other parts of the province the first crop is estimated at 70 per cent, with good prospects for the second crop.

Wuhu and Nanking have been unable to report from personal knowledge, owing to difficulties of communications, but various reports collected indicate that approximately 30 *hsien* in Kiangsu and 52 *hsien* in Anhwei have been partially or badly affected. Kiangsu is said to have lost 73 per cent of her crops, while Anhwei has lost about 60 per cent. Many more people have been rendered homeless, and monetary losses are alleged to be considerably greater than in Anhwei and in Kiangsi.

Chinkiang reports that the most serious floods in Northern Kiangsu occurred to the eastward of the Grand Canal, when, owing to the rise of water to the west of the Canal, the flood-gates at Ch'ê-lo-pa (車邏壩) and Hsin-pa (新壩) were opened and the flood-gate at Nan-kuan-pa (南關壩) burst open. This resulted in flooding the area bounded by the Yangtze to the south, the sea to the east, and the Grand Canal and its Haichow branch to the west and north—about 4,000 square miles.

4.—As regards relief measures, the most urgent requirements are food, shelter, disinfectants, medical supplies, and service.

- (a) *Food*.—The exportation of grain and foodstuffs out of the flood area should be prohibited, but the movement of the same within the flood area might be permitted under the authority of Huchao issued by the Superintendent of Customs concerned—the limits of the flood area being Ichang and Changsha on the west, and Chinkiang on the east. The prices of foodstuffs should be regulated, and profiteering, not only on the part of merchants, but also on the part of transport and other workers required for relief operations, should be suppressed. Food centres should be established at suitable points for the distribution of supplies to the destitute.
- (b) *Shelter*.—Refugees collected on dikes, on improvised platforms in city streets, etc., should be removed to segregation camps on adjacent hills, under guarantee of repatriation to their own districts after the subsidence of the floods, and bamboos and matting should be furnished for the erection of such shelters. Segregation camps should be laid out with suitable lanes and latrines, etc., and each with its own food centres. It would be convenient if they could be established near the banks of the river or creeks in order to facilitate transport; and refugee labour should be used, as far as possible, first, in immediate relief measures, and second, in repairing dikes, etc.
- (c) *Disinfectants*.—Segregation camps must be kept in a sanitary condition, and a large supply of disinfectants, such as chloride of lime, should be provided for liberal use in all towns now flooded, as soon as the floods subside and the danger of epidemics becomes imminent.
- (d) *Medical Supplies and Service*.—Sickness is already said to be rampant in some parts, and inoculation against such diseases as cholera, typhoid, etc., should be widely applied.

5.—A question that will be asked is: "When will the flood subside?" A reference to the 1869 and 1926 diagrams appended hereto (Appendix No. 5, *a-i*) will indicate high levels lasting over two months in 1869 and over one month in 1926. If, however, the

weather continues dry and the rainfall remains normal or below normal, it may be assumed that the waters will subside more rapidly than was the case in the examples cited. High water this year was 9 days later than the average (*vide* Appendix No. 6), and experience shows that the drop from high water to 30 feet falling is approximately 0.17 foot per day, but even if this is reduced to 0.15 foot per day, the river ought to be at Bund level (45 feet 5 inches) on or about 6th October. The plain behind Hankow is approximately 31 feet above Hankow zero, and assuming that the drop will continue at about 0.17 foot per day, the river would be below plain level by about 14th January next. It is to be hoped, however, that the fall will be quicker than this, as was the case in the last record year, 1870, in which case the date for a level of 30 feet would be about the 19th November. In view of the above estimates, I suggest that the Government would be well advised to prepare for intensive relief measures up to about the end of October. When in Hankow I had lengthy interviews with General Ho Ch'êng-chün (何 成 濬), Chairman of the Hupeh Provincial Government, and Mr. Liu Wên-tao (劉 文 島), Commissioner of Civil Affairs and Minister Designate to Germany. They both keenly realise the paramount necessity of executing immediate relief measures throughout Hupeh; and I suggested to them the importance of establishing segregation camps for refugees in order to reduce congestion in urban centres. I understood from them that the refugees in the vicinity of Hankow would be moved as soon as possible to suitable outlying districts in the neighbourhood.

6.—The above report is by no means exhaustive, but, nevertheless, it is hoped that the facts embodied therein may prove useful in connexion with relief measures and that the statistics in the Appendices will furnish sufficient data to enable a reasonably accurate opinion to be formed in respect of how long we may expect the floods to prevail over the land like the waters of a second Deluge. The following seven Appendices are attached hereto; and certain other information concerning estimated number of refugees, etc., etc., has already been separately submitted:—

1. Rainfall Comparisons, June and July, for the years 1924, 1926, 1927, 1929, and 1931; 1927 and 1929 being normal years, 1924 and 1926 high-water years over 48 feet.
2. Table indicating Record River Levels.
3. River-level Comparisons for each date on which any port reached its highest level to date.

4. Sketch-map of Yangtze Valley indicating, approximately, wholly or partly flooded areas, as far as can at present be estimated.\*
5. Nine Diagrams indicating Hankow River Levels during high-water years (48 feet or over) from the year 1866 to date.\*
6. Table indicating average, earliest, and latest dates of various River Levels at Hankow up to the year 1930.
7. Series of Photographs taken when the flood was at its highest level.\*

F. W. MAZE,  
*Inspector General of Customs.*

SHANGHAI, *26th August* 1931.

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\* Not printed.

## APPENDIX No. 1.

## RAINFALL COMPARISONS.

|                        | NORMAL YEARS.       |                       | ABNORMAL YEARS.       |                       |                        |
|------------------------|---------------------|-----------------------|-----------------------|-----------------------|------------------------|
|                        | 1927.               | 1929.                 | 1924.                 | 1926.                 | 1931.                  |
| Hankow High-water Mark | 43.9 feet<br>(July) | 41.1 feet<br>(August) | 48.4 feet<br>(August) | 48.9 feet<br>(August) | 53.65 feet<br>(August) |
|                        | <i>Inches.</i>      | <i>Inches.</i>        | <i>Inches.</i>        | <i>Inches.</i>        | <i>Inches.</i>         |
| JUNE:                  |                     |                       |                       |                       |                        |
| Woosung.....           | 6.49                | 3.64                  | 6.84                  | 5.91                  | 5.93                   |
| Chinkiang .....        | 11.07               | 3.13                  | 2.84                  | 2.92                  | 4.76                   |
| Wuhu .....             | ..                  | 6.79                  | 3.72                  | 3.77                  | 6.33                   |
| Kiukiang .....         | 8.63                | 5.94                  | 16.89                 | 5.06                  | 3.28                   |
| Hankow .....           | 7.75                | 7.01                  | 4.13                  | 4.52                  | 4.81                   |
| Yochow .....           | 2.35                | 4.84                  | 10.09                 | 6.94                  | 6.18                   |
| Changsha .....         | 3.22                | 10.12                 | 11.01                 | 19.49                 | 8.32                   |
| Ichang .....           | 9.62                | 9.35                  | 3.20                  | 0.77                  | 9.80                   |
| Chungking .....        | 9.54                | 6.70                  | 6.44                  | 5.02                  | 2.17                   |
| TOTAL: JUNE ..         | 58.67               | 57.52                 | 65.16                 | 54.40                 | 51.58                  |
| JULY:                  |                     |                       |                       |                       |                        |
| Woosung.....           | 8.67                | 2.96                  | 0.15                  | 4.17                  | 21.66                  |
| Chinkiang .....        | 4.79                | 4.26                  | 11.71                 | 10.69                 | 22.16                  |
| Wuhu .....             | ..                  | 6.33                  | 3.59                  | 6.04                  | 13.71                  |
| Kiukiang .....         | 5.47                | 9.14                  | 7.59                  | 6.62                  | 16.04                  |
| Hankow .....           | 12.58               | 4.95                  | 11.57                 | 12.40                 | 22.18                  |
| Yochow .....           | 3.44                | 12.43                 | 5.58                  | 7.55                  | 14.38                  |
| Changsha .....         | 3.21                | 6.84                  | 7.02                  | 2.91                  | 16.84                  |
| Ichang .....           | 7.37                | 6.31                  | 19.78                 | 8.67                  | 14.00                  |
| Chungking .....        | 8.42                | 6.00                  | 7.40                  | 5.49                  | 4.43                   |
| TOTAL: JULY ..         | 53.95               | 59.22                 | 74.39                 | 64.54                 | 145.40                 |
| GRAND TOTAL ...        | 112.62              | 116.74                | 139.55                | 118.94                | 196.98                 |

## APPENDIX No. 2.

## RECORD RIVER LEVELS.

| PORT.           | DATA<br>AVAILABLE<br>FROM | PREVIOUS RECORD. |              | 1931<br>HIGH WATER<br>TO DATE. | PLUS<br>OR<br>MINUS. |
|-----------------|---------------------------|------------------|--------------|--------------------------------|----------------------|
|                 |                           | YEAR.            | HEIGHT.      |                                |                      |
|                 |                           |                  | <i>Feet.</i> | <i>Feet.</i>                   | <i>Feet.</i>         |
| Chungking ..... | 1891                      | 1905             | 108.000      | 87.40 (August)                 | - 20.600             |
| Ichang .....    | 1896                      | 1896             | 53.300       | 50.30 „                        | - 3.000              |
| Shasi .....     | 1900                      | 1926             | 33.400       | 34.90 „                        | + 1.500              |
| Changsha .....  | 1899                      | 1926             | 41.000       | 31.20 (April)                  | - 9.800              |
| Yochow .....    | 1900                      | 1926             | 49.900       | 50.60 (July)                   | + 0.700              |
| Hankow .....    | 1869                      | 1870             | 50.500       | 53.65 (August)                 | + 3.150              |
| Kiukiang .....  | 1907                      | 1926             | 44.900       | 45.50 (July)                   | + 0.600              |
| Anking .....    | 1924                      | 1924             | 40.500       | 42.80 (August)                 | + 2.300              |
| Wuhu .....      | 1907                      | 1911             | 30.417       | 30.50 „                        | + 0.083              |
| Nanking .....   | 1911                      | 1911             | 24.400       | 24.50 „                        | + 0.100              |
| Chinkiang ..... | 1901                      | 1911             | 20.600       | 20.20 „                        | - 0.400              |

## APPENDIX No. 3.

## RIVER-LEVEL COMPARISONS, 1931.

| PORT.           | JULY.  |        | AUGUST. |        |       |       |        |        |        |        | —                        |  |
|-----------------|--------|--------|---------|--------|-------|-------|--------|--------|--------|--------|--------------------------|--|
|                 | 28th.  | 29th.  | 6th.    | 9th.   | 10th. | 15th. | 16th.  | 18th.  | 19th.  | 24th.  |                          |  |
|                 | Feet.  | Feet.  | Feet.   | Feet.  | Feet. | Feet. | Feet.  | Feet.  | Feet.  | Feet.  |                          |  |
| Chungking ..... | 40.3   | 40.0   | 87.4    | 74.6   | 59.5  | 39.5  | 54.2   | 33.8   | ..     | ..     | Record, 108 ft. (1891).  |  |
| Ichang .....    | -67.7  | -68.0  | -20.6   | -33.4  | -48.5 | -68.5 | -53.6  | -64.2  | ..     | ..     | " 53.3 ft. (1896).       |  |
| Shasi .....     | 36.5   | 34.8   | 36.2    | 50.0   | 50.3  | 37.0  | 37.2   | ..     | ..     | ..     |                          |  |
|                 | -16.8  | -18.5  | -17.1   | -3.3   | -3.0  | -16.3 | -16.1  | ..     | ..     | ..     |                          |  |
| Shasi .....     | 29.2   | 28.4   | 27.4    | 34.9   | 34.6  | ..    | ..     | ..     | ..     | ..     |                          |  |
|                 | -4.2   | -5.0   | -6.0    | Record | +1.2  | ..    | ..     | ..     | ..     | ..     |                          |  |
| Changsha .....  | 28.6   | 29.7   | 22.6    | 22.9   | 23.8  | 29.9  | 27.2   | ..     | ..     | ..     | Record, 41 ft. (1926).   |  |
|                 | -12.4  | -11.3  | -18.4   | -18.1  | -17.2 | -11.1 | -13.8  | ..     | ..     | ..     |                          |  |
| Yochow .....    | 50.1   | 50.6   | 47.7    | 48.0   | 48.7  | ..    | ..     | ..     | ..     | ..     |                          |  |
|                 | +0.2   | Record | -2.2    | -1.9   | -1.2  | ..    | ..     | ..     | ..     | ..     |                          |  |
| Hankow .....    | 49.9   | 50.1   | 50.1    | 50.55  | 50.65 | 52.2  | 52.7   | 53.4   | 53.65  | ..     |                          |  |
|                 | -0.6   | -0.4   | -0.4    | +0.05  | +0.15 | +1.7  | +2.2   | +2.9   | Record | ..     |                          |  |
| Kiukiang .....  | 45.5   | 45.5   | 44.6    | 44.4   | 44.3  | 45.0  | 45.1   | 45.3   | 45.3   | 45.3   |                          |  |
|                 | Record | +0.6   | -0.3    | -0.5   | -0.6  | +0.1  | +0.2   | +0.4   | +0.4   | +0.4   |                          |  |
| Anking .....    | 41.5   | 41.5   | 41.9    | 42.0   | 41.9  | 42.4  | 42.5   | 42.8   | 42.8   | ..     |                          |  |
|                 | +1.0   | +1.0   | +1.4    | +1.5   | +1.4  | +1.9  | +2.0   | Record | Record | ..     |                          |  |
| Wuhu .....      | 29.5   | 29.6   | 29.8    | 30.0   | 29.9  | 30.0  | 30.05  | 30.0   | 30.1   | 30.5   |                          |  |
|                 | -0.9   | -0.8   | -0.6    | -0.4   | -0.5  | -0.4  | -0.3   | -0.4   | -0.3   | Record |                          |  |
| Nanking .....   | 23.4   | 23.6   | 23.7    | 23.9   | 23.9  | 24.4  | 24.5   | ..     | ..     | ..     |                          |  |
|                 | -1.0   | -0.8   | -0.7    | -0.5   | -0.5  | ..    | Record | ..     | ..     | ..     |                          |  |
| Chinkiang ..... | 19.0   | 19.2   | 18.8    | 19.0   | 19.0  | 20.1  | 20.2   | 19.9   | 19.7   | 19.2   | Record, 20.6 ft. (1911). |  |
|                 | -1.6   | -1.4   | -1.8    | -1.6   | -1.6  | -0.5  | -0.4   | -0.7   | -0.9   | -1.4   |                          |  |

Note.—Italic figures denote (—) below and (+) above previous records.

Figures in black type denote this year's high water.

APPENDIX No. 6.

HANKOW WATER-MARK TABLE FROM 1870.

| —                        | EARLIEST DATE.         | AVERAGE DATE.      | LATEST DATE.             | LOWEST.                | AVERAGE.       | HIGHEST.              |
|--------------------------|------------------------|--------------------|--------------------------|------------------------|----------------|-----------------------|
| Low water .....          | 5th January 1885 ....  | 9th February ....  | 28th March 1929 .....    | Feet.<br>—3.166 (1901) | Feet.<br>2.642 | Feet.<br>10.5 (1906). |
| 10 feet (false rise) ... | .....                  | 1st March .....    | .....                    | ..                     | ..             | ..                    |
| Height " ..              | .....                  | .....              | .....                    | ..                     | 12.486         | ..                    |
| 10 feet (final rise) ... | 2nd February 1884 .... | 23rd March .....   | 9th May 1929 .....       | ..                     | ..             | ..                    |
| 20 " ..                  | 7th March 1874 .....   | 4th May .....      | 22nd June 1900 .....     | ..                     | ..             | ..                    |
| 30 " ..                  | 28th April 1906 .....  | 8th June .....     | 15th August 1925 .....   | ..                     | ..             | ..                    |
| High water .....         | 23rd May 1877 .....    | 10th August .....  | 27th October 1907 .....  | 31.5 (1900)            | 43.317         | 50.5 (1870).          |
| 30 feet (1st fall) ....  | 29th July 1930 .....   | 28th October ..... | 12th December 1911 ..    | ..                     | ..             | ..                    |
| 20 " ..                  | 28th September 1900 .. | 26th November ...  | 1st January 1912 .....   | ..                     | ..             | ..                    |
| 10 " ..                  | 8th November 1900 ..   | 19th December ...  | 15th February 1912 ..... | ..                     | ..             | ..                    |

Bund Level, S.A.D. No. 3 = 46.5 feet.



## SEMI-OFFICIAL CIRCULAR No. 78.

**Flood of 1931: Customs Staff donation towards National  
Flood Relief Fund; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 4th September 1931.

SIR,

The flood of 1931 is unprecedented in so far as modern records are concerned, and is regarded as a national disaster of great magnitude. The Government are adopting energetic measures to provide relief for the sufferers, and will vote considerable sums for that purpose; but, in view of the prodigious nature of the calamity, their efforts must necessarily be supplemented by private enterprise, and we who find employment in China's Administration in normal times must indicate our willingness to serve her to the best of our ability in her difficulties (*vide* confidential letter dated 4th September 1931). I feel convinced, therefore, that the members of the Customs Service will cheerfully subscribe to so worthy a cause. This being so, I have informed the Minister of Finance—*vide* Enclosure—that I will undertake on behalf of the Service-Listed members of the Service to be responsible for a donation of \$300,000 to the National Flood Relief Fund; and in doing so I not merely assume that I am anticipating the wishes of each individual employee concerned to be associated with such relief measures, but I conceive that I am acting in the best interests of the Customs Administration in thus demonstrating our readiness to co-operate with the Government in such national emergency.

After most careful consideration it has been decided to meet the above obligation in the following manner:—

The donation, which is to be advanced by the Service on behalf of the Staff in three instalments of \$100,000 each, payable to the Government in September, October, and November this year, has been calculated on the rates of pay issuable to the

Service-Listed Staff for the months of September–November 1931, subscriptions being graded in accordance with the percentages shown hereunder:—

| MONTHLY RATE OF SALARY.                                    | RATE OF SUBSCRIPTION FOR THREE MONTHS (PER MONTH). | TOTAL SUBSCRIPTION (OF ONE MONTH'S PAY). |
|--|--|--|
|  | <i>Per cent.</i>                                   | <i>Per cent.</i>                         |
| Over <i>Hk.Tls.</i> 65 to <i>Hk.Tls.</i> 130 inclusive ... | 5  | 15                                       |
| " " 130 " 200 " ...  | 10   | 30                                       |
| " " 200 " 250 " ...  | 12   | 36                                       |
| " " 250 " 330 " ...  | 14   | 42                                       |
| " " 330 " 400 " ...  | 16   | 48                                       |
| " " 400 " 500 " ...  | 18   | 54                                       |
| " " 500.....   | 20   | 60                                       |

*N.B.*—Salaries of *Hk.Tls.* 65 a month and under are not called upon to contribute.

As, however, the payment of the total subscription in such a short period as three months would no doubt prove a severe hardship on the Staff in many cases, I have decided that the period during which subscriptions are to be collected is to be extended to one year, viz., from September 1931 to August 1932. The monthly rates of subscription to be applied are therefore as follows:—

| MONTHLY RATE OF SALARY.                                      | MONTHLY RATE OF SUBSCRIPTION. |
|--|-------------------------------|
|  | <i>Per cent.</i>              |
| Over <i>Hk.Tls.</i> 65 to <i>Hk.Tls.</i> 130 inclusive ..... | 1½                            |
| " " 130 " 200 " .....  | 2½                            |
| " " 200 " 250 " .....  | 3                             |
| " " 250 " 330 " .....  | 3½                            |
| " " 330 " 400 " .....  | 4                             |
| " " 400 " 500 " .....  | 4½                            |
| " " 500.....   | 5                             |

Subscriptions are to be collected at all ports in the currency in which salaries are paid and are to be assessed on salaries at the normal salary-issuing rate, *i.e.*, including contributions to the Superannuation Fund, but excluding all allowances except expatriation allowance and leaving out the silver pay adjustment. While the sums collected are not to pass through the accounts, remittance of the total collection for any month should be effected at the beginning of the following month by means of demand drafts on

Shanghai made out in favour of a new account, styled the "Customs Staff Flood Relief Fund Account," which is being opened with the Central Bank of China.

It is to be understood that anyone liable to this contribution shall be at liberty to discharge his obligation by three separate monthly payments, to be effected in September, October, and November this year, thus following strictly the Government's plan for all official organisations, but that those who are not in a position to do so, may avail themselves of the facility now supplied by the Service, and discharge their obligation either by monthly payments over the complete year, or by increased instalments which must be multiples of any one month's payment. Should a subscriber receive a promotion during the three months' period prescribed by the Government, *i.e.*, September–November this year, his contribution shall be assessed according to his increased rate of pay in proportion to the period during which he draws increased pay; for instance, an employee promoted from 1st October will pay contribution according to September pay for one-third of his total subscription—*i.e.*, four months,—and according to his new rate of pay for the remaining two-thirds—*i.e.*, eight months. On the other hand, subscribers having received no increase during the three months' period but promoted after the period will continue to pay subscription at the original—*i.e.*, September—rate, the principle being that the liability of the subscriber is assessable on his pay during the three months' period prescribed by the Government.

It follows, therefore, that the subscription of any Service-Listed employee withdrawing during the period September–November 1931 will be calculated in proportion to the time during which he is a member of the Service in the Government fixed period. That is to say, an employee retiring on 30th September will be liable for one-third total contribution—*i.e.*, the equivalent of four months at the monthly rates,—and an employee withdrawing on 30th November will be liable for the full obligation.

Further instructions regarding the manner in which subscriptions are to be collected, etc., will be found in Audit Note No. 85.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE.

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*Copy of Confidential Letter to His Excellency the Minister of Finance  
from Inspector General, dated Shanghai, 29th August 1931.*

DEAR DR. SOONG,

Mr. F. Chang has written to me in respect of contributions from the Customs Service to the Flood Relief Fund, and I have told him that we who find employment in China's Administration in normal times are most willing to serve her to the best of our ability in her difficulties. This premised, I now wish to state that I undertake that the Service-Listed members of the Customs will contribute \$300,000 towards the above Relief Fund.

Yours sincerely,

F. W. MAZE.

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## CIRCULAR No. 4299 (SECOND SERIES).

Chinese goods shipped coastwise *via* a foreign port:  
regulations for control of.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 5th September 1931.

SIR,

1.—With reference to Circular No. 2 of 1865:\*

Ruling, *inter alia*, that goods shipped at Hongkong are to be held as having changed their origin and that full import duty is to be levied on goods arriving from there even when such goods are obviously products of China:

to Circular No. 555, dated 3rd December 1891:

Giving instructions for the keeping and compilation of port trade statistics, more especially in regard to merchandise passing from one treaty port to another *via* Hongkong, and laying down the principle that Chinese goods duly covered by Customs documents shipped from one treaty port to another and passing through Hongkong, but not landed or transhipped there, are to retain their coastwise privileges:

to Circular No. 817 (A. 182), dated 25th February 1898:

Ruling that "all goods landed and reshipped in Hongkong—whether by steamer or junk—must be treated as *foreign* no matter what their original *provenance* or what document may accompany them":

to Circular No. 3795,† dated 13th March 1928:

Informing you that the growth of this treaty port to treaty port trade in Chinese produce *via* a foreign port or ports necessitated reference of the matter to the Shui-wu Ch'ü, and that, in order to prevent abuse of the coastwise privilege treatment accorded to this trade, it had been decided that merchants engaged in such trade are on each occasion to execute a bond with the Customs guaranteeing that the goods declared for other treaty port or ports, and covered by Chinese

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\* *Antea*, vol. i, pp. 50, 51.

† *Antea*, vol. iv, p. 127.

Customs documents, shall not be landed or transhipped at any foreign port or ports touched at, but shall remain intact, and on board their original conveying vessel, until landed at their Chinese treaty port destination, under penalty of five times the duty in cases of proved substitution of cargo, both on the goods originally shipped and on the goods substituted:

and to Circular No. 3851,\* dated 29th January 1929:

Ruling, on instructions from the Kuan-wu Shu, that all Chinese products, when sent from one treaty port to another treaty port *via* foreign ports, are to be granted D.P.C. privileges no matter how often the goods may have been landed and reloaded on the way, provided only that no repacking has taken place:

and to my circular telegram of 30th May this year sent to all coast ports:

“Circulars 3795 and 3851: Government instructs; merchants shipping native goods under D.P.C. from treaty port to treaty port *via* foreign port or ports or from treaty port to places in Manchuria *via* Dairen under through bill of lading are to execute a bond with Customs at port of shipment guaranteeing goods in original packages without repacking or substitution will be reimported at port specified within three months, failing which they will be required to pay not only short-paid duty but also fine of five times total duty. If substitution has taken place goods are to be confiscated, and merchant in addition fined. Repetition of offence will entail withdrawal of privilege of coastwise treatment from merchant concerned”:

I have now to enclose, for your information and guidance, copy of Kuan-wu Shu telegram No. 806, dated 27th May, from which you will see that the Shu, in reply to a letter from me on the matter, refers to the instructions issued in December 1928 (Shu despatch No. 97; Circular No. 3851) to the effect that native goods sent from a Chinese port and re-entering China *via* a foreign port or ports are to be granted D.P.C. privileges, provided that no repacking has taken place, and rules that, as this procedure was specially authorised for native goods for domestic consumption, such goods when destined for places in the Three Eastern Provinces and sent under through bill of lading *via* Dairen are to be charged the rates of the Interport

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\* *Antea*, vol. iv, p. 150.

Duty Tariff. At the same time the Shu instructs that, as the Interport Duty Tariff rates are different from those of the Export Duty Tariff, native goods enjoying D.P.C. privileges when shipped from treaty port to treaty port *via* a foreign port or ports—

- (1) Are to be covered by a bond executed by the exporter or shipping agent with the Customs at port of shipment guaranteeing that the goods will be re-imported at a specified port within a prescribed time limit, failing which they will be called upon to pay the duty short-paid as well as a fine, and
- (2) Are, on re-entering China, to be strictly examined by the Customs at port of destination to make sure that the goods are in their original packages and that no substitution has taken place.

2.—In reply to this telegram I drew the attention of the Shu to the regulations for the control of native produce shipped coastwise from treaty port to treaty port *via* a foreign port or ports, which had been drawn up two years ago (June 1929), had been approved by the Kuan-wu Shu, but which, on account of negotiations then pending with the Hongkong Government, had not been at that time put into operation. The Shu in its telegraphic reply No. 815 called for modifications and additions to be made to these rules, more especially in regard to time limits, sealing of cargo, through bills of lading, and so forth. Correspondence then ensued, and, as you will see from Kuan-wu Shu despatch No. 6005, final decision has now been reached on the Regulations for the Control of Native Produce under Duty-paid Certificate Shipped Coastwise from Treaty Port to Treaty Port *via* a Foreign Port or Ports, or from Treaty Port to Places in Manchuria *via* Dairen.

3.—Copies of two bond forms are enclosed, one to be known as “Bond for Native Cargo Shipped Coastwise *via* a Foreign Port,” [C.—86], and the other as “Bond for Native Cargo Shipped to Manchuria *via* Dairen,” [C.—87]. A supply of these bonds can be had on application to the Statistical Secretary.

4.—It is to be clearly understood that these regulations are provisional only and are liable at any moment to revision, especially in regard to the time limit at present allowed for goods *en route* between port of shipment and port of destination.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE No. 1.

關務署電第八〇六號 中華民國二十年五月二十七日

梅總稅務司覽本月二十六日來函已悉查土貨運經外國口岸不另改裝重入國境行銷應准由關按照紅單辦法辦理曾於十七年十二月間令遵在案此項紅單辦法原對行銷國內之土貨而設所有途經大連運銷東三省各處之土貨自必向關報領紅單應亦適用舊出口稅則照徵轉口稅惟轉口稅與出口稅稅率已有區別此後土貨享受紅單優惠利益應予特定限制辦法(一)運經外國復運入國境時必須由該貨進口之海關管轄查驗確屬原貨並未改裝(二)報運商人或輪船公司必須在起運海關具結負責恪遵定限復行運入所指定之進口海關如屆定期未經復運進口應予補稅處罰所有應定期限及起運及進口處所之海關應如何查驗證明各端並仰妥定辦理報署備查藉免影射頂替等弊致損稅課署長張感印

關務署電第八一五號 中華民國二十年六月四日

梅總稅務司覽五月三十日函悉查所擬途經外國口岸運銷國內土貨之徵稅辦法尙有亟須改正補充各要點茲核示如下 (一)由此口到彼口途經外國口岸或由通商口岸途經大連轉運東三省各地之土貨必須持有 through bill of lading (二)上項土貨經過之外國口岸應以直運途中必須經過之外國口岸爲限(三)進口限期應改爲一個月以免該貨在途日久發生流弊(四)該貨包裝上應由起運海



關另加烙印或鉛封俾便進口海關驗對(五)原具保結應俟進口海關將報單副本遞回通知該貨業已依限到達並驗明確係原貨無誤後予以註銷(六)起運海關所發報單應備具副本兩份送交進口海關分別遞回存查所有必須經過之外國口岸名稱及限期起訖時日並該項土貨之牌號重量等要項均應詳細填入單內以便稽考仰即遵照仍將擬具報單格式呈署備查署長張支印

總稅務司呈 關務署文第二一八四號 中華民國二十年六月十日

呈爲呈復事案查土貨運經外國口岸不另改裝重入國境行銷由關按照紅單辦法辦理一事前於本年五月二十八日奉

鈞署咸電飭將應定期限及起運並進口處所之海關應如何查驗證明各端妥定辦理具報備查等因當經擬具辦法於五月三十日用英文函呈請

鈞鑒嗣又奉

鈞署支電內開照錄原文等因奉此查管理國貨經由外國口岸重入國內行銷章程草案曾經職署於民國十八年七月間擬定七條呈奉

鈞署第九二〇號指令核准惟當時因協商香港設關事宜以致延未實行茲特遵照

電令所開各節並參酌情形就前章加以修改補充重擬章程八條繕呈

鈞核惟對於

鈞署支電內一三四等條尚有難於實行之處謹分列理由如下

一限令持有通運提單 *through bill of lading* 辦法祇有經由大連運入東三省各地之土貨尚可照辦其經由外

國口岸運至他處之土貨類如由龍州運至哈爾濱者則礙難施行緣此等土貨起運時向無通運提單

二進口限期改爲一個月則凡輸運程途遼遠之土貨類如由雲南運至龍井村者或較此路程稍近者途中往往

因待船退關漏卸等情事以致延擱不能按時運到在商人方面殊屬無法避免若僅予一個月限期實屬太少

擬請仍按鈞署第九二〇號指令所准三個月限期辦理以示體恤

三起運時另加烙印或鉛封一節似亦不易實行緣貨物能否另加封識須視數量及性質而定凡遇土貨報運過

多時若由關逐一另加烙印或鉛封必致耽擱時間且如袋裝之荳類等貨雖欲加封印其勢亦有不能以

見此項問題似可暫勿決定先令各關稅務司酌量情形遇有價值較貴或該關以爲應予封識之貨卽予烙印

或鉛封俟試辦若干時期或一年後再行考核情形決定通令遵辦

至於報單格式似可就現行之土貨出口報單將限期起訖時日等要項加註於內以便該貨進口海關易於稽考  
毋庸另行擬定是否有當理合檢同重擬之管理國貨經由外國口岸重入國內行銷章程及通令稿各一份備文

呈請

鑒核指令祇遵謹呈

財政部關務署長張

附呈中英文章程及英文通令稿各一份

財政部關務署指令則字第五四六六號 中華民國二十年六月十七日

令總稅務司梅樂和

呈一件重擬漢英文管理國貨經由外國口岸重入國內行銷章程及英文通令稿一份請核示由

呈暨附件均悉據陳通運提單僅能適用於經由大連運入東三省各地之土貨是否因該路線向有聯運機關其  
他路線因無聯運機關故無通運提單抑係尚有他種原因應將該項運輸情形詳細呈復再行核定又土貨自雲  
南至龍井村途程較遠所需運輸日期自亦較久惟此項土貨究居少數今若以此為準規定進口限期三個月為  
一般持有紅單土貨遵守之通則似亦難昭公允如以一個月為期較促自可再予寬展規定一適中期限為多數  
短距離路線所用此外遼遠路線之運輸准由商人呈由出口海關酌將日期增多俾可兼顧商情要之現在出洋  
土貨稅率較之轉口土貨所徵稅率為高已與從前適用同一稅率者情形不同為免除流弊起見自不能不將轉

運日期嚴加限制藉維稅課所有上項多數較近路線應用之適中期限可否即定爲一個月或再較長抑尙有其他益臻妥適之辦法應由該總稅務司詳酌擬議呈候核示除烙印鉛封一層可如所陳第三項辦理外仰卽遵照此令

總稅務司呈 關務署文第二四一〇號 中華民國二十年八月二十日

呈爲呈復事案查關於土貨運經外國口岸重入國境行銷一事前經重擬管理章程呈奉

鈞署則字第五四六六號指令內開照錄原文等因奉此當將土貨必須運經外國口岸重入國境之路綫開列清單

對於各該路綫內何者有通運提單及貨物由起運以至到達地點應需若干時日各節向各輪船公司及轉運公司詳細查詢茲查得單開各路綫中適用通運提單者僅有五綫卽（一）上海經由大連至哈爾濱（二）上海經由天津至哈爾濱（三）上海至龍井村（十五）廣州經由清津至龍井村（十九）北海經由大連至哈爾濱至其餘各綫所經各口岸間向無聯運辦法故從不發給通運提單他如由滬運往滇省各地之貨所發提單僅至西貢或海防爲止過此則通運提單亦不發給至貨物由起運口岸到達指運口岸所需之時日就單內所開各路綫所有由上海經大連轉運哈爾濱之路程各公司多以二十三天至二十五天爲期其由廣州運往龍井村者爲三十五天至四十天而由北海運至哈爾濱則爲四十五天至五十天照此情形凡有通運提單之貨物其轉運尙需時若是

之久則凡無通運提單者因中途候船等事更不免多所耽延故一個月之限期在程途遼遠各綫實屬爲期太促似宜暫定爲兩個月俟試辦一年後再察看情形酌予增減以顧商情而維稅課是否有當理合抄同所開路綫單一紙備文呈請

鈞署核奪示遵再此案因詳細查詢往返需時以至呈復稽遲合併聲明謹呈

財政部關務署長張

附清單一紙

照錄路綫清單

計開

一由上海運經大連沿南滿路至長春轉中東路至哈爾濱

二由上海運經天津或大沽沿北甯路至瀋陽轉南滿路至長春再轉中東路至哈爾濱

三上海至龍井村

四上海至南寧

五上海至龍州

六上海至蒙自

七上海至騰越

八騰越至大連

九龍州至龍井村

十龍州至重慶

十一蒙自至哈爾濱

十二蒙自至天津

十三龍州至天津

十四南甯至天津

十五廣州至龍井村

十六廣州至龍州

十七廣州至蒙自

十八廣州至騰越

十九北海至哈爾濱

財政部關務署指令則字第六〇〇五號中華民國二十年八月二十八日

令總稅務司梅樂和

呈一件呈復查明土貨運經外國口岸重入國境運輸情形並擬將限期定爲兩個月請示遵由  
呈悉應准如擬辦理此令

管理持有紅單之國貨經由外國口岸重入國內或經大連運入東三省行銷章程

一凡輪船由通商此口開往通商彼口中途須經過外國口岸者該船商或該輪船公司代理人應於出口海關將中途須經過外國口岸之名稱報明並須用書面聲明所載運往彼口之土貨中途是否全不轉船其土貨經過之外國口岸應以直運途中必須經過者為限

二如所運土貨之一部份於經過外國口岸時須轉入其他輪船或民船應由該船商或貨主或輪船公司代理人在報單上註明該貨擬轉入何種船隻並應將該項貨物之號碼重量估值等項詳細開列如能預知轉載船隻之名亦應報明以備查核其持有紅單經由大連運入東三省之土貨商人除詳報貨物之號碼重量估值等項外並應呈繳運達行銷地方之通運提單

三出口海關接到前項報單後應即令該船商或貨主或輪船公司代理人出具甘結擔保該項貨物在外國口岸轉船時不得拆包改裝如有違犯情事甘受處罰

四凡土貨報明在經過外國口岸轉船者或經由大連轉運者必須嚴密包裝其包裝之法須使於必要時便於加封每件貨物並須有特別之標誌最好將收貨之行號名稱一併標明且須將該貨按件編列號數其編號之法

務使易於核對遇必要時海關並可令商人開一貨物重量清單註明某件貨物每包斤重若干由該商在單內簽字呈關倘商人不按上列辦法辦理海關得以拒絕該商享受此項在外國口岸轉船之利益

五凡土貨如未按上列規定嚴密包裝加印標誌編列號數以致於運抵指運口岸時無法證明確爲最初裝船之原貨者其運往外國口岸時雖亦可以轉船但運抵指運口岸時不得享受土貨待遇之利益

六凡土貨報明在外國口岸轉入輪船或民船經出口海關照准者若自裝船之日起在兩個月內未經運抵指定之口岸即失去其土貨之資格以後運抵該口時即不能按照土貨待遇

七凡土貨由通商此口運往通商彼口其中途須經過外國口岸經商人報明在該外國口岸轉船者出口海關應將所有關單並商人報單以及貨物重量清單等之副本郵寄該貨指運口岸海關備查若商人報明該貨係屬通過貨物由原船運往指運口岸不在中途轉船者所有前項關單等件即按照現在各口往來運貨辦法交原船帶往指運口岸該到達口岸海關收到此項關單須查驗單貨是否相符如查明單貨不符即由該海關按其情形輕重分別罰款或將貨物充公並一面通知原出口之海關稅務司於必要時得取銷該貨有關係之商行或商人再在外國口岸轉船仍按土貨待遇之利益

八本章程係屬試辦性質遇必要時得隨時改訂或取銷之



ENCLOSURE No. 2.

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REGULATIONS FOR THE CONTROL OF NATIVE PRODUCE UNDER DUTY-PAID CERTIFICATE SHIPPED COASTWISE FROM TREATY PORT TO TREATY PORT *VIA* A FOREIGN PORT OR PORTS, OR FROM TREATY PORT TO PLACES IN MANCHURIA *VIA* DAIREN.

1.—Owners of steamers or agents of steamship companies wishing to clear a steamer from one treaty port to another treaty port *via* a foreign port or ports shall declare to the Customs at the port of clearance the names of the foreign ports to be touched at, and shall also state in writing whether all the native produce declared for other treaty ports is to be conveyed to its destination without transshipment. Foreign ports thus touched at must be in direct route between treaty port of shipment and treaty port of discharge.

2.—Should any portion of the native produce conveyed by a steamer from a treaty port to another treaty port *via* a foreign port or ports be declared to be for transshipment to another steamer or to a junk at any foreign port touched at, then the steamship owner or agent, or the individual merchant concerned, shall on his declaration state into which type of vessel the goods are to be transhipped, shall give full particulars of the goods to be transhipped as to marks, weight, value, etc., and shall also, if possible, state the name of the vessel into which the goods are to be transhipped for conveyance to their destination. *In the case of native produce shipped under D.P.C. from a treaty port to places in Manchuria via Dairen, the applicant shall present a shipping order proving that a through bill of lading will be issued covering the goods to their destination, along with the declaration giving full particulars of the goods.*

3.—On receipt of such a declaration the Customs authorities at the original port of clearance shall take from the owner or agent of the steamer, or from the individual merchant concerned, a written guarantee, under specified penalties, that no repacking of the goods declared for such transshipment shall take place at any foreign port touched at.

4.—Native produce declared for transshipment at a foreign port or for transport *via Dairen* must be securely packed, and in such a manner as to be easily sealed if necessary, must be marked with a

distinctive mark for each consignment—preferably with the name of the firm to which the shipment is addressed,—and must be numbered in such a way as to be easily identifiable. If necessary, the Customs may call upon the applicant to supply a signed weight memorandum showing the weight of each individual package in a given consignment. The Customs reserves the right to refuse this transshipment privilege if these conditions are not fully complied with.

5.—Native produce which is not packed or not properly marked and numbered, and therefore not readily identifiable at port of destination as being the same as that declared at port of shipment, may be transhipped at a foreign port, but shall not be entitled to the privilege of being treated as native produce at port of destination.

6.—When native produce declared for transshipment either into steamer or junk at a foreign port, and accepted as such by the Customs at original port of clearance, does not reach the treaty port specified within two months from the date of original shipment, it shall on arrival be regarded as having lost its native status and be treated accordingly.

7.—The Chinese Customs documents, including copies of original Applications, weight memoranda, etc., covering native produce shipped from one treaty port to another treaty port *via* a foreign port or ports, if declared for transshipment at such foreign port or ports, shall be sent by post to the Commissioner of Customs at treaty port of destination. If the goods are declared as through cargo, not for transshipment at a foreign port or ports *en route*, but to arrive at the treaty port of destination on the original steamer, all the Customs covering documents shall be sent by the steamer concerned in the same manner as is now done for ordinary interport shipments. The Commissioner receiving such documents shall arrange for the proper examination of the goods concerned. Where there is a clear discrepancy between the goods documented and the goods actually landed, he shall deal with the case either by fine or confiscation according to the gravity of the offence and shall report the matter to the Commissioner at the original port of shipment, so that, if need be, the privilege of coastwise treatment of native produce touching at or transhipped at a foreign port may in future be withheld from the company or persons concerned.

8.—*These rules are provisional only, and may at any moment be altered or rescinded should occasion so demand.*

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## CIRCULAR No. 4304 (SECOND SERIES).

**Quarantine: development of, in China; connexion of Customs with; to be handed over to National Quarantine Bureau of Ministry of Health; I.G.'s instructions. Quarantine and port sanitary matters one of the rights of a sovereign state.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *9th September 1931.*

SIR,

1.—Quarantine and port sanitary measures are from their very nature matters that properly appertain to the sovereign rights of a state, to be put into effect by specially qualified agents duly appointed for that purpose either by the state government itself or by competent local authorities to whom the state government has delegated the necessary powers. In the very early days of foreign trade with China quarantine and port sanitary arrangements anywhere in the world were of the most primitive description, and even after the signing of the first treaties in the forties of last century arrangements for the prevention of disease from incoming vessels and for the treatment of patients from such vessels, even in those countries where shipping and modern medicine were most developed, were, judged by the standards of to-day, haphazard, crude, and inadequate. In China in those days preventive sanitary measures usually took the form of noisy and spectacular processions in honour of the deities of cholera, plague, smallpox, and so forth, and, although these measures may have been as ineffective as, or even less effective than, the measures employed elsewhere, yet they had the merit of being autonomous actions untrammelled by any treaty restrictions.

China's  
quarantine  
rights in-  
fringed by  
extraterri-  
toriality  
clauses of  
early  
treaties.

2.—The signing of the Nanking and subsequent Treaties, however, introduced the element of alien interference with China's sovereign rights. In spite of the fact that these treaties are silent on quarantine and port sanitary matters, yet the extraterritoriality clauses in these treaties were an effective bar to China's liberty of action, inasmuch as not only the person of the foreigner enjoying treaty status became extraterritorialised, but also everything belonging to him, his goods, and his ships except in so far as treaty stipulations might specially modify this privileged status. For

three decades, however, after the signing of the Treaty of Nanking, foreign interference in treaty port quarantine and sanitary matters was so slight as to have gone practically unnoticed. Whatever action was necessary in the case of foreign vessels carrying infectious diseases would seem to have been taken by the owners or agents, or by the master, with the assistance of whatever doctor might be available. Neither the central nor the local Chinese authorities raised objections to such makeshift measures, for the simple reason that they did not see the necessity of providing the means of trying to check the spread of ship-borne infectious diseases by foreign methods of the efficacy of which they were not convinced, and even if they had been convinced, they would have been faced with the practical problem of finding the funds for the payment of a trained staff and for the provision and upkeep of the necessary hospital accommodation. A matter so vital to the public welfare could not, however, be left indefinitely to more or less fortuitous handling. The Western world was waking up to the importance of joint action in dealing with the prevention of epidemics from ship-borne infection, and already two international conferences on the subject had been held, the first at Paris in 1852 and the second at Constantinople in 1866, while a third was convened to meet in Vienna in 1874. China was not represented at these conferences, but the purpose and the effect of them was not lost on the foreign doctors, officials, and merchants then resident in China, who from experience knew well how devastating epidemics of plague, cholera, and smallpox could be, especially in overcrowded cities where sanitation was non-existent.

Reasons for absence of quarantine measures in early days of foreign trade.

3.—But who was to take the lead in this matter? The answer came in the early seventies of last century. The year 1873 was marked by an epidemic of cholera in Siam and in the Malay Peninsula, and as there was at that time a very considerable coolie passenger traffic between these places and Amoy, the Commissioner at that port, the late Mr. George Hughes,\* perceiving the necessity of precautions, drew up in August of that year a set of three simple sanitary regulations and obtained the approval of the Consular Body

Official lead in quarantine matters first taken by Customs.

At Amoy.

\* George Hughes, one of H. N. Lay's appointees, joined the Customs Service in November 1859 as a Clerk. From May to November 1861 he was in charge of Ningpo as Deputy Commissioner, after which he was transferred to Canton, where he remained till February 1862, in which month he was promoted Commissioner and sent to Swatow. After ten months at this port he was transferred to Amoy, where he held charge from December 1862 to April 1865. On return from long leave in March 1868 he was Commissioner at Tientsin for a year and a half, after which he was once more in charge of Amoy for five and a half years. On expiry of his second furlough he served at Newchwang from April 1878 to September 1879 and at Chefoo from the latter month to April 1883. He resigned in March 1885 while on long leave. Mr. Hughes held Civil Rank of the 3rd Class.

for their enforcement on all Treaty Power vessels.\* These regulations called on all vessels from Singapore, Bangkok, and other cholera-infected places to anchor at a specified point and to "remain there until inspected by the Customs Medical Officers." Such vessels were "forbidden to shift their berths, land passengers, baggage, or any article whatsoever until a Customs Permit to do so" had been issued. Punishment for any infraction of these regulations was to be "as the law directs by the Consular officer concerned."

At Shang-  
hai.

At Shanghai, also in August 1873, the late Mr. F. E. Wright,† who was then Commissioner, anticipated his Amoy colleague by a couple of weeks in taking the necessary steps to deal with infected vessels. He did more. He saw that quarantine was not essentially a Customs matter and that it was for the territorial authorities to take action, but that, as the foreign Consuls had magisterial jurisdiction over the vessels of their various nationalities, they would have to be associated with the territorial authorities in whatever action should be decided upon, and that this action would require the sanction of the higher authorities at Peking, both Chinese and foreign. He insisted, accordingly, that it lay with the Chinese local authorities not only to appoint a port health officer to attend to all quarantine matters, but also to provide the necessary accommodation and apparatus for the effective carrying out of quarantine measures. These principles were duly embodied in the first set of Provisional Quarantine Regulations proposed for the port of Shanghai.‡ At the same time the Customs Medical Officer was appointed by the Taotai to act also as port health officer and was authorised to charge fees for services rendered according to a scale agreed upon by the Taotai and the Commissioner.§ In the following year (1874) a definitive and much amplified set of Sanitary Regulations for the Port of Shanghai was issued on the authority of the Superintendent and with the approval of the Treaty Power Consuls.|| These definitive regulations contained two important additions to the provisional ones of the previous year. Firstly, they stipulated that "it rests with the Superintendent of Customs and the Consuls to determine the places to be considered infected," and secondly, they further stipulated that any person committing a breach of the regulations should be dealt with by the authority to whose jurisdiction he was amenable. These Shanghai regulations established the main principles on which quarantine and sanitary

Sanitary  
Regulations  
issued at  
Shanghai in  
1874 on the  
authority of  
the Super-  
intendent  
and with  
the approval  
of the Con-  
sular Body.

\* I.G. Cir. No. 245, Enclosure No. 1.

† *Vide* I.G. Cir. No. 26 of 1874, *antea*, vol. i, p. 331; also footnote, p. 332.

‡ I.G. Cir. No. 245, Enclosure No. 12.

§ *Ibid.*, Enclosure No. 13.

|| *Ibid.*, Enclosure No. 15.

measures at the various treaty ports should be conducted, and they have formed the basis for similar regulations at all ports where such were called for.

4.—In the summer of 1882 the outbreak of cholera at Manila led the Hongkong authorities to declare that all vessels from Amoy would be subject to quarantine, as Manila and Amoy were in direct steamer communication and as quarantine was not being enforced at the latter port. The sanitary regulations then drawn up for Amoy, and approved by the Taotai, the Superintendent of Customs, and the Consular Body, were admittedly formed on the lines of those in force at Shanghai.\* This afforded the Amoy Commissioner, at that time Mr. (afterwards Sir) J. McLeavy Brown,† the opportunity of raising for discussion three of the principal issues involved in the introduction of quarantine regulations, namely—

- (1) The question with whom rested the right to declare a place infected;
- (2) The status and remuneration of the port health officer; and
- (3) The necessity of a set of permanent quarantine regulations of general application.

On the first issue the Commissioner was convinced “that as the warding-off of a pestilence from a port was, as it were, an act of self-preservation, the right to do which had not been expressly surrendered by any treaty, it was for the port authorities in the first instance to take the necessary steps, and for Consuls or others who objected to justify their objections.” He was of opinion that “in practice there would rarely, if ever, fail to be previous consultation and agreement between the port authorities and the Consuls when quarantine became necessary; but it was not impossible . . . to conceive a case occurring in which the port authorities might feel themselves constrained to impose quarantine on vessels from a particular place even against the wish of a Consul, leaving to the latter the responsibility of refusing to assist in enforcing the regulations against vessels of his nationality.”‡ In this matter the Commissioner was in advance of his time, for until the issue last year (1930) of the Quarantine Regulations by the Ministry of Health, the responsibility of declaring a place infected, even at the premier port of Shanghai, rested with the Superintendent and the Consular Body. On the status of the port health officer the Amoy

McLeavy Brown's conviction that right of declaring a port infected lay with China alone.

Consular Body never recognised this right, but Quarantine Regulations issued by the Ministry of Health in 1930 already assert it.

\* I.G. Cir. No. 245, Enclosure No. 6.

† *Vide* I.G. Cir. No. 4197, *antea*, vol. iv, p. 427 (footnote).

‡ I.G. Cir. No. 245, Enclosure No. 7.

Status of  
port health  
officer.

Commissioner was equally clear. He pointed out "that in matters of quarantine the duties, responsibilities, and powers of the health officer were very great, and that . . . he was in all countries an official of the port for the protection of which he acted, paid by and responsible to the port authorities and to them alone, and . . . that if the health officer be paid by the Chinese authorities, it would be more in order for him to send his reports to them, by whom copies would be sent officially to the Consuls concerned." \* Failure to grasp this fundamental principle led many people to the mistaken belief that a Customs Medical Officer, because he was in the employ of the Customs, was also *ipso facto* the port health officer, while the use of the Customs Administration to carry out quarantine measures was the source of the widespread but false impression that the Customs was the responsible authority in all quarantine matters. On the subject of a set of standard quarantine regulations the Amoy Commissioner suggested that "perhaps the model of the Pilotage Regulations would be the best to follow in drawing up quarantine rules; that is, a set of general regulations drawn up in Peking, and applicable to all ports alike, supplemented by approved local rules defining such points as are special to each port, as the place where vessels from an infected port must anchor and await the health officer's visit, the position of the quarantine station, how provisions are to be supplied, etc. The regulations, general and local, once agreed on would be kept in reserve, so to speak, at each port, and when required would be called into operation by a proclamation declaring such and such a place or places infected, and would cease to operate on the issue of another proclamation declaring the places no longer infected." \*

Set of  
standard  
quarantine  
regulations  
proposed.

Reasons for  
non-adop-  
tion of  
general  
quarantine  
regulations.

5.—No general quarantine regulations, however, were ever drawn up, although the proposal for such was from time to time renewed. There were several reasons for this. In the first place, the higher authorities failed to reach unanimity on the question with whom rested the right to declare ports infected and to withdraw such declarations. Secondly, there was division of opinion regarding the appointment of port health officers and the provision of funds, which raised the issue whether shipping should be made to contribute to quarantine expenses by payment of inspection fees. Thirdly, there was at practically every port the total lack of quarantine equipment, such as isolation camps, hospitals, fumigating and disinfecting plant, and so forth, provision and maintenance of which would be highly expensive, while its use at most ports would only

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\* I.G. Cir. No. 245, Enclosure No. 7.

be at rare intervals. Fourthly, there was the usual natural indifference to quarantine matters until plague scares actually occurred, cholera, smallpox, and scarlet fever being familiar and more or less endemic, while sea-imported typhus and yellow fever were of the rarest occurrence. Lastly, there was the problem of controlling infected native shipping, a problem so bristling with difficulties that even as late as 1926-27 the Consular Body at Foochow declined to give its approval to proposed quarantine regulations, partly because of the lack of quarantine accommodation, but also on the ground that it was useless to discriminate against foreign shipping when the machinery for controlling native shipping was, in its opinion, wholly inadequate. Seven years before this, at the same port, the Consular Body questioned the legality of the existing Quarantine Regulations on the ground that one of its members—H.B.M.'s Consul—had declared that he had not the authority to enforce these Quarantine Regulations, as they were not covered by a King's Regulation. This, too, in spite of the fact that the Quarantine Regulations in question had originally been approved by the British Consul. Obviously, such action penalised China. A foreign Consul insists, on the basis of extraterritoriality, that his sanction must be obtained for harbour and sanitary regulations, and then declines to take the measures necessary to render effective the sanction he had insisted on!

6.—The beginnings of quarantine work at Amoy and Shanghai have already been touched upon. The subsequent history of such work at each of these ports can be briefly related. At Shanghai the 1874 version of the Sanitary Regulations made way for those of May 1913, and these, in turn, yielded in March 1925 to the Sanitary Regulations for the Port of Shanghai (including Woosung). Then came Kuan-wu Shu despatch No. 2872 of 1930 ordering that all quarantine services at all ports in China are to be taken over by the newly created National Quarantine Bureau (海 港 檢 疫 處) of the Ministry of Health during a period of two years beginning from 1st July 1930, and in accordance with its instructions the Customs handed over on 1st July 1930 the Shanghai quarantine staff, apparatus, and equipment, after having carried for more than 50 years, with the scantiest of means and often with more criticism than commendation, this heavy and responsible burden of safeguarding Shanghai from sea-borne disease. For the support of the new quarantine organisation \$3,000 a month was to be drawn from revenue and \$2,000 a month from the Superintendent's share of wharfage dues. The early version of the Sanitary Regulations for Amoy finally gave way in August 1920 to the Quarantine Regulations

Develop-  
ment of  
quarantine  
work at  
various  
ports;  
Shanghai.

Amoy.



Swatow.

for the Port of Amoy, carrying the preamble that "those of them that concern foreign interests have been agreed to and sanctioned by the Treaty Power Consuls at the port." On 1st January 1931, in accordance with the instructions of Kuan-wu Shu despatch No. 3820,\* the organisation at Amoy was handed over to the National Quarantine Bureau. It had a record of which it could well be proud, especially in the supervision it had exercised over the vessels carrying coolies in countless thousands to and from the Malay States. To cover its maintenance expenses this Amoy quarantine organisation was authorised to draw from revenue a monthly grant of \$2,000. The next port in the list to take up the burden of quarantine work was Swatow, which, having been affected by its closeness to Amoy, drew up its first set of Provisional Sanitary Regulations for Foreign-rigged Vessels at the Port of Swatow in July 1883. These remained in force till April 1911, when the Sanitary Regulations for the Port of Swatow appeared, and as a sanitary station had been created at the Round Fort, provisional regulations for this station appeared at the same time. The outbreak of the Revolution in that year prevented the issue of an authorised Chinese version of these new Sanitary and Round Fort Regulations. In 1928 the Swatow Municipal Council drew up a set of Provisional Quarantine Regulations, which received the approval of the Canton Provincial Government. To these the Consular Body objected, maintaining that the Regulations of 1911 were effective and satisfactory. These latter regulations continued to be enforced, although the Provisional Quarantine Regulations of 1928 were not officially withdrawn. On 1st April 1931, in accordance with the instructions of Kuan-wu Shu despatch No. 4671, the Swatow sanitary work was taken over by the National Quarantine Bureau, and a grant of \$2,000 a month was allotted to it from revenue for its upkeep.

7.—So far (September 1931) these are the only three ports where the quarantine work has been taken over by the National Quarantine Bureau; but, as the time during which the semi-Consular, semi-Chinese control over the remaining port quarantine services is fast running out—its limit being set for 1st July 1932,—it will be as well to say a word or two about these remaining port quarantine services and at the same time to inform all Commissioners interested that as soon as Dr. Wu Lien-teh, the Director of the National Quarantine Bureau, makes official application the quarantine work of the port or ports concerned is to be handed over to his control

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\* Enclosure No. 1: *vide* also Kuan-wu Shu despatches to I.G. Nos. 3309 and 4354.

without delay. Separate instructions, no doubt, will be issued in due course as to the financial arrangements to be made for the upkeep of the new quarantine stations set up by the Bureau. The ports directly affected as having quarantine regulations are Harbin, Aigun, Newchwang, Tientsin, Chefoo, Hankow, and Canton. The first of these to have a set of sanitary regulations, concurred in as usual by the Treaty Power Consuls, was Tientsin, and the occasion of their enforcement was the outbreak of plague at Canton, Hongkong, Swatow, and Foochow, when a Harbour Notification was issued in May 1906 embodying the regulations then approved. Five years later (1911) came the overwhelming outbreak of pneumonic plague in Manchuria, and the Peiyang Sanitary Department was formed by the local Chinese authorities to deal with any cases of plague that might show themselves in the Chinwangtao, Tangku, and Tientsin area. This outbreak called for revised editions of the Tientsin Sanitary Regulations, which appeared in August 1912 and August 1913. In 1925 there was a bad cholera epidemic in Shanghai, and as there was civil war in the North at that time, the Peiyang Sanitary Department soon found itself threatened with extinction. The militarists had no funds for sanitation, even in the interests of the public. The Peiyang Sanitary Department soon found itself in the position of being left without pay and without the necessary equipment to carry on its work. In view of the urgency of the matter the Chinese Government finally authorised from 1st January 1927 as a grant from revenue the sum of \$2,200 a month, to be paid through the Tientsin Commissioner. The other northern ports may be dealt with here, as their quarantine arrangements have all been affected by the great plague outbreak of 1911 and the formation of the Manchuria Plague Prevention Service. The first set of Quarantine Regulations for the Port of Newchwang seems to have been issued by a Harbour Notification in May 1900 and reissued in June of the year following, on account of the establishment of the Russian Provisional Government of Newchwang. These Russian regulations were amended in July 1905 by the Japanese Military Administration, and again, this time at the request of the Newchwang Consular Body, in May 1906. They received a further amendment in September 1906, and a final one in August 1913 to June 1914. The outbreak of bubonic plague in 1911 necessitated further preventive measures, but it was not till 1919 that a revenue grant of *Hk.Tls.* 40,000 was sanctioned for the erection and equipment of a quarantine hospital. At the same time a monthly grant of *Hk.Tls.* 1,250 from revenue, dating from 1st September 1919, was sanctioned for its upkeep. Up to 1929 this maintenance grant was renewed by application through the Diplomatic Body, but from then

Tientsin.

Peiyang  
Sanitary  
Depart-  
ment.Manchuria  
Plague  
Prevention  
Service.New-  
chwang.

Harbin.

on this practice was discontinued. In view, too, of its discontinuance, the keeping of the funds and the accounts of this hospital, which from the first had been entrusted to the Commissioner, were handed over to Dr. Wu Lien-teh, the Director and Chief Medical Officer of the Manchuria Plague Prevention Service. At Harbin events, so far as the Plague Prevention Service was concerned, followed a similar course. Thanks to the firm stand taken by Sir Francis Aglen, the Inspector General, the Russians were foiled in their object of establishing quarantine stations under their control on the Chinese bank of the Amur, and thanks to his persistency he finally prevailed on the Diplomatic Body to withdraw its opposition to a yearly grant from revenue of *Roubles* 78,000 for the upkeep of the newly founded Manchuria Plague Prevention Service under Chinese auspices. This grant was paid in monthly instalments from 1st October 1912 till October 1917, when, on account of the depreciation of the rouble, the grant was changed to *Hk.Tls.* 60,000 a year, payable in monthly instalments of *Hk.Tls.* 5,000. In addition to this annual grant, special appropriations from revenue, amounting in all to \$350,000, were paid to the Plague Prevention Service to cover the cost of emergency measures. In 1925 this Prevention Service had a narrow escape from being discontinued, as the Ministry of Finance planned to do so in the interests of economy. In 1929 the grant was made no longer dependent in any way on the sanction of the Diplomatic Body, and in July of the following year the control of the accounts and the keeping of the funds was turned over by the Commissioner, who up till then had acted as Honorary Treasurer, to Dr. Wu Lien-teh, the Director and Chief Medical Officer of the Manchuria Plague Prevention Service. At Antung, Sanitary Regulations for the Ports of Antung and Tatungkow were published in March 1911, after having been sanctioned by the Superintendent, agreed to by the local Consular Body, and approved by the Wai-wu Pu and the Diplomatic Body. In the same month of the same year an agreement was reached between the Chinese and the Korean Customs for joint sanitary control of vessels entering the Yalu River during the plague epidemic then prevailing.\* It was not, however, till 1923 that Antung was finally provided with a quarantine hospital on a special grant from revenue of *Hk.Tls.* 30,000 for its erection and equipment. Dating from 1st February the same year, a monthly grant of *Hk.Tls.* 700 has been made to meet maintenance expenses. For the port of Aigun there are no sanitary regulations, but there has been there since 1911 a branch hospital of the South Manchuria Plague Prevention Service. The plague

Antung.

Aigun.

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\* I.G. Cir. No. 3256, *antea*, vol. iii, pp. 646-648.

outbreak of 1911 afforded Chefoo an opportunity of issuing in July that year a set of Revised Sanitary Regulations for the Port of Chefoo, which were again revised in 1919. In May 1921 a Russian steamer arrived at Chefoo with cases of pneumonic plague on board. As there was then no proper quarantine station, all the passengers were landed on Kentucky Island, from where about 108 of these contacts escaped to the mainland. Buildings on the West Beach were accordingly selected as a suitable quarantine station, but they proved unworkable on account of their proximity to the Chinese city and their lack of all equipment. An outbreak of plague in 1926 brought up the question once more, but left the solution as far off as ever. Quarantine regulations for the port of Ningpo were first published by Customs Notification in April 1918, and 11 years later, March 1929, a set of Provisional Regulations for the Port of Ningpo was issued by the National Government, those clauses in them concerning foreign shipping having been approved by the Diplomatic Body. The only port on the Yangtze River that can boast of a set of quarantine regulations is Hankow, which date from July 1904 and are a revised version of the ones in force in 1902. Hankow, however, has no permanent quarantine station or equipment of any sort. All the other river ports from Chinkiang to Chungking have no specific quarantine rules, although some of them by their Harbour Regulations give the Customs authority to moor an infected ship at some safe berth outside harbour limits and to forbid any person to leave or board such a vessel without a permit from the Harbour Master or the port health officer. Canton got along without a full-dress set of quarantine regulations till the outbreak of plague in Manchuria in 1911 moved even that far-away port to introduce provisional measures to protect the community, as steamers were coming from plague-infected areas in the North. A set of Sanitary Regulations for the Port of Canton, based on those obtaining in Shanghai, was sanctioned by the Superintendent, approved by the Treaty Power Consuls at the port, and issued in the spring of 1911. These regulations remained in force till August 1926, when the Canton Health Department, created by the Canton Municipal Council, drew up, with the approval of the Council, quarantine regulations of its own to be put into effect from 6th September 1926. Since then the Canton Health Department controls quarantine matters at that port. At Tsingtao the Harbour Administration, continuing the practice set in the days of foreign occupation, controls all quarantine affairs for that port, while those for the port of Dairen are naturally under the control of the Kwantung authorities.

Part played  
by Customs  
in enforce-  
ment of  
quarantine  
regulations.

8.—The foregoing record shows that in the past the enforcement of quarantine regulations although not essentially a Customs function, has been placed upon the Customs on account of the fact that, in the absence at every port of a Chinese institution for the enforcement of quarantine, it was the only organisation which could be relied on, even when conditions were most desperate and equipment most deficient, to undertake to carry out what could be done. Furthermore, as the Customs was the Department entrusted with the care of both Chinese and foreign shipping, it seemed natural both to the Chinese authorities and to the Diplomatic Body that the Customs should be used to promulgate quarantine rules, after they had been approved by the officials of all countries having magisterial authority over the vessels concerned. It followed that the organisation which promulgated the regulations should be the one to be entrusted with their enforcement. The Customs Medical Officer, whose main duty (as such) it was to look after the health of the Staff, was often called on to undertake medical inspection of a ship and to look after its patients while in port, and thus frequently became mistaken for a port health officer. It was only by force of circumstances, therefore, that the Customs authorities have been forced to play the part they have played in quarantine matters; but it must be admitted for purposes of record that, in spite of their equivocal position, in spite often of lack of consideration from one party or the other, in spite of misunderstanding and adverse criticism, and in spite still oftener of the lack of adequate means to carry out the quarantine duties laid upon them, the Customs authorities, by cheerfully accepting and carrying out the responsibilities thrown upon them, have deserved well of the community. The Customs administration, however, of so vital a department as that of quarantine was at best a makeshift, and it was only to be expected that the proper territorial authorities should wish to assume control as soon as they were able to offer, in place of existing arrangements, an efficient procedure, which should accord with China's national rights, be acceptable to all concerned, and which, while placing public welfare paramount, would neither hamper unduly nor prove vexatious to shipping and trade interests.

China's  
appeal to  
League of  
Nations for  
assistance in  
drawing up  
adequate  
health and  
quarantine  
measures.

9.—In September 1929 the Chinese Government requested the Secretary General of the League of Nations to send a committee of experts from the Health Organisation of the League to study the public health service of the ports and the existing quarantine system. The Medical Director of the League's Health Organisation, Dr. L. Rajchman, and Dr. F. Boudreau came to China as experts in response to this invitation, visited all the important ports, and drew

up a plan for co-operation with the Chinese authorities in the thorough reorganisation of the quarantine system and in the creation of medical and public health centres, which will make it possible gradually to improve the public health system of China.\* In the spring of 1930 the Executive Council decided that quarantine matters throughout the whole of China should be removed from the Customs and be placed under the jurisdiction of the Ministry of Health, but that, as time would be required to effect such a transfer, a term of two years, dating from 1st July 1930, would be allowed for its execution. The Ministry of Health accordingly instituted the National Quarantine Bureau, and Dr. Wu Lien-teh was appointed its Director and Chief Medical Officer. Up to the present Dr. Wu has assumed charge of the quarantine organisations at Shanghai, Amoy, and Swatow, and, by taking over the accountancy work of the Plague Prevention Service at Harbin and Newchwang, has now full responsibility for that organisation. According to the decision of the Executive Council, the remaining ports having quarantine organisations of any nature will be called on any time between now and 1st July 1932 to hand over control of such to Dr. Wu Lien-teh or to his duly accredited representative, and this Circular will be in itself sufficient authority for you to do so.

Quarantine measures on decision of Executive Council in future to be controlled by National Quarantine Bureau of the Ministry of Health.

A copy of a letter from the Minister of Finance on the above subject is appended hereto for record.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* "Ten Years of World Co-operation" (League of Nations, Geneva, 1930), pp. 259 and 260; "The China Year Book" 1931, p. 119.

## ENCLOSURE No. 1.

財政部關務署訓令第二八七二號 中華民國十九年六月十二日

令總稅務司梅樂和

爲令遵事案奉

部長發下衛生部咨開查海港檢疫事務係屬本部職掌曾經

國民政府於公布之衛生組織法及全國衛生行政系統大綱分別規定惟是此項事務向由海關辦理已歷有年本部籌備接收自需時日故於上年十二月間呈明

行政院擬於十九年夏季先行收回上海海港檢疫事務其他海港則於二年之內次第收回辦理奉批照准在案現在已屆上海接收之時由本部派技監伍連德前往辦理應請貴部轉飭海關稅務司於本年七月一日將上海海港檢疫事務完全交由技監伍連德接收以重職守再此項檢疫事務應用經費計每月需洋五千元擬請仍由海關撥給並希轉飭於本部接收以後按月照撥毋任感紉相應咨請查照見復施行等因茲經部核定上海海港檢疫經費每月五千元准自本年七月一日起由江海關稅務司在該關監督公署所得之碼頭捐項下按月扣撥二千元另由稅款內加撥三千元以資應用至所請移交一節仰即轉飭該關稅務司與衛生部代表商洽辦理除咨復衛生部查照辦理並令江海關監督遵照外合行令仰該總稅務司即便遵照此令

財政部關務署指令第三三〇九號中華民國十九年八月二十二日

令總稅務司梅樂和

呈一件呈報遵令移交上海海港檢疫事務各情形乞核示由

呈悉所請轉飭上海檢疫所將佔用海關房屋從速遷出並將燬船機器等件（除汽船外）自行移運各節業由部轉咨衛生部查照辦理其江海關稅務司向來担任之該檢疫機關司帳職務應准解除至以前辦理該口因防疫事務向海關移借尚未清償各款並應准予一併註銷以資結束仰即遵照此令

財政部關務署訓令政字第三八二〇號中華民國十九年十一月 日

令總稅務司梅樂和

爲令飭事奉

部長發下衛生部咨一件內稱案據本部技監兼籌備接收全國海港檢疫事務伍連德呈稱廈門爲我國重要港口商務輻輳船舶繁多該港檢疫事項似應早日收回辦理以資整頓等情據此查海港檢疫事務前經本部按照衛生部職掌規定呈准

行政院於本年七月先行接收上海事務其他海港則於二年之內次第收回辦理在案茲據前情擬於二十年一月派本部技監伍連德前往接收廈門海港檢疫事務應請貴部先期令行總稅務司轉飭廈門海關稅務司屆時將該關檢疫事項完全交由技監伍連德接收辦理以重職守相應咨請查照見復施行等因除由部咨復衛生部准予轉飭廈門關稅務司將該關代管之檢疫職務屆時移交外合行令仰遵照此令



財政部關務署訓令政字第四三五四號 中華民國二十年一月二十九日

令總稅務司梅樂和

爲令行事奉

部長諭廈門海港檢疫處經費每月二千元自本年一月份起由廈門海關按月撥交該處主任核收等因合亟令仰該總稅務司遵照辦理此令

財政部關務署訓令政字第四六七一號 中華民國二十年三月十七日

令總稅務司梅樂和

爲令飭事奉

部長發下內政部咨一件內稱據衛生署署長劉瑞恆呈稱查海港檢疫向由各海關稅務司代管自上年前衛生部籌備接收先後將上海廈門兩處交收清楚現復定於本年四月一日接收汕頭海港檢疫事務據處長伍連德呈請轉咨財政部飭潮海關稅務司查照移交並請月撥經費二千元以資辦公等情前來署長復核無異理合呈請鈞部俯賜咨行財政部轉飭稅務司屆時移交伍連德接收並飭照撥經費以利進行等情據此相應咨請查照辦理並見復爲荷等因除由部咨復內政部准予轉飭潮海關稅務司將該關代管之檢疫職務屆時移交并自本年四月份起按月撥給經費二千元外合行令仰遵照此令

ENCLOSURE No. 2.

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*The Minister of Finance to the Inspector General.*

3rd April 1931.

DEAR MR. MAZE,

You may remember that the Ministry of Health established the National Quarantine Service in July last year with the object of taking over the port health work at different ports of China from the Maritime Customs and improving it under a proper technical head.

With this end in view, the Port Sanitary Service of Shanghai was taken over on July 1, 1930, followed by that of Amoy on January 1, 1931. It is expected that Swatow will be taken over within the next week or two.

In order to save time and unnecessary correspondence, I shall be glad if you can make arrangements with Dr. Wu Lien-teh, Director of the Quarantine Service, for the transfer of port health work at the remaining ports from the Customs to him at such times as may be mutually satisfactory to you both.

Dr. J. Heng Liu and Dr. Wu Lien-teh have expressed deep appreciation of the cordial help extended by you and the Commissioners in connection with the quarantine work.

Yours sincerely,

T. V. SOONG.

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## CIRCULAR No. 4306 (SECOND SERIES).

**Salt-smuggling: instructions from Minister of Finance regarding  
co-operation between Customs and Salt Revenue Departments  
in suppression of salt-smuggling.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 12th September 1931.

SIR,

With reference to I.G. Circulars Nos. 157, 159, 1353, and 3458:\*

Dealing with measures to be adopted by the Customs for  
the seizure of illicit salt and the prevention of salt-  
smuggling:

I have now to enclose, for your information and guidance, copy of a letter from the Minister of Finance giving cover to a communication addressed to him by the Chief Inspectors of Salt Revenue, in which communication they enclose copy of a Statement of Principles Governing Co-operative Action by *Personnel* of the Customs and the Salt Revenue Departments in the Searching of Vessels and Auxiliary Shipping Properties and Confiscation of Illicit Salt and Salted Products.

The Minister, in sending these documents, directs that the instructions embodied in the Statement of Principles are "to be provisionally regarded as defining the respective scope of authority and the specific duties of the two Departments."

You are to act accordingly.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* For I.G. Cir. No. 157, *antea*, vol. i, p. 419; and for I.G. Cir. No. 1353, *antea*, vol. ii, p. 537.

ENCLOSURE.

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*The Minister of Finance to the Inspector General.*

SHANGHAI, August 24, 1931.

SIR,

I attach hereto copy of a communication addressed to me on July 3rd, 1931, by the Chief Inspectors of Salt Revenue upon the subject of co-operative action between the Customs and the Salt Revenue Departments in the suppression of salt-smuggling on Chinese and foreign vessels, and submitting a Statement of Principles evolved by the recent inter-departmental conferences.

It is my desire that you should immediately amplify the action already taken by the Customs *personnel*, in the searching of vessels and confiscation of illicit salt or salted products, by issuing to the Commissioners concerned a copy of this Statement, with instructions in the sense that it is to be provisionally regarded as defining the respective scope of authority, and the specific duties, of the two Departments.

The Chief Inspectors of Salt Revenue are being similarly notified, and will issue the necessary instructions to their subordinate offices.

The unloading of illicit salt from steamers, both Chinese and foreign, is reported to be increasing, more particularly in the vicinity of Hankow; but I have every confidence that vigorous and co-operative action by the Customs and Salt Revenue Departments will prove an effective deterrent.

I am,

Yours faithfully,

T. V. SOONG,

*Minister of Finance.*

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SUB-ENCLOSURE.  

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OFFICE OF THE  
CHIEF INSPECTORATE OF SALT REVENUE,  
SHANGHAI, 3rd July R.C. 20th.

No. 2995.

YOUR EXCELLENCY,

Pursuant to your instructions, the Chief Inspectors have conferred with the Inspector General of Customs and have reached conclusions set forth in a Statement of Principles which in the opinion of the Inspector General and Chief Inspectors should govern co-operation to prevent smuggling of salt on Chinese and foreign vessels. A copy of this Statement is submitted with this petition.

We respectfully propose that Your Excellency issue orders to the Inspector General of Customs and ourselves, in the sense that the contents of this Statement are provisionally to be regarded as defining the respective scope of authority, and the specific duties, of the *personnel* of the two Departments, and that the necessary instructions are to be issued to the subordinate offices concerned.

The Associate Chief Inspector has called in person upon the Consuls General of the United States of America, Great Britain, and Japan to explain the reasons for the intended co-operative participation by the Salt Revenue Department, under conditions which will ensure regularity of procedure on all occasions, in measures which have hitherto fallen within the exclusive jurisdiction of the Customs. Their attitude in every instance was cordial, and each in turn undertook to approach his diplomatic authority, unofficially, with a view to facilitating the formal acceptance which will presumably be secured through the Ministry of Foreign Affairs.

We have the honour to be,

Your Excellency's obedient Servants,

*Chief Inspectors of Salt Revenue.*

His Excellency Mr. T. V. SOONG,  
*Minister of Finance, Nanking.*

STATEMENT OF PRINCIPLES GOVERNING CO-OPERATIVE ACTION BY *PERSONNEL* OF THE CUSTOMS AND SALT REVENUE DEPARTMENTS IN THE SEARCHING OF VESSELS AND AUXILIARY SHIPPING PROPERTIES AND CONFISCATION OF ILLICIT SALT AND SALTED PRODUCTS.

Article 1.—*Definitions of Terms.*—The following terms are to have the meaning as given hereunder:—

*Vessel* : Any floating craft;

*Salted products* : Produce in which salt is a constituent part or is necessary for preservation or packing;

*Cased cargo* : Cargo enclosed in cases or other forms of packing not readily open to inspection;

*Illicit salt* : Salt, the importation or transportation of which has not been duly authorised by the National Government;

*Illicit mixed cargo* : Cargo in which salt has been mixed and for which salt is neither required nor customarily used for preservation or packing;

*Illicit salt products* : Salted products containing as a constituent part a greater quantity of salt than is necessary or customary, or which is packed in a larger amount of salt than is required for preservation purposes.

Article 2.—*The Right of Inspectors of Salt Revenue and Salt Revenue Guards to Board and Search Vessels for Illicit Salt.*—The power to board and search all vessels and all auxiliary shipping properties within the territorial waters of the Chinese Republic is hereby delegated to the Inspectors of Salt Revenue and duly commissioned officers and guards under their jurisdiction and subject to their orders.

Article 3.—*Co-operation between Customs and the Inspectorate of Salt Revenue Enjoined.*—The closest co-operation between the Maritime Customs Service and the Inspectorate of Salt Revenue is hereby enjoined to prevent salt-smuggling on vessels and auxiliary shipping properties subject to Customs jurisdiction.

Article 4.—*Initial Regulations and Limitations of the Right of the Inspectorate of Salt Revenue to Search Vessels and Auxiliary Shipping Properties.*—The right of the Inspectorate of Salt Revenue

to search foreign owned and operated vessels and auxiliary shipping properties within the territorial jurisdiction of the Chinese Republic is subject to the following initial regulations and limitations:—

- (1) That the Customs regulations regarding the searching of vessels and auxiliary shipping properties (such as barges, lighters, hulks, pontoons or flying bridges, docks, and wharves) should be adhered to by searching parties employed by the Inspectorate of Salt Revenue.
- (2) That, in order to avoid friction between searching parties employed by the Customs and the Inspectorate of Salt Revenue, the functions and duties of each should be kept as distinct as possible.
- (3) That (due to the fact that the Customs authorities meet and search vessels entering the port of Shanghai and to the further fact that—the greater part of the cargo destined for up-river ports being duty-paid—the Customs authorities do not, as a rule, search these vessels), so far as is consistent with the protection of salt revenue, the duty of searching for illicit salt on incoming vessels should be performed by the Customs officers, while the duty of searching for illicit salt on up-river vessels should be performed by the Salt Revenue authorities.
- (4) That only duly authorised Salt Revenue officers and well-disciplined guards and/or searchers wearing prescribed Salt Revenue uniforms and carrying identifying papers are to be employed in the work of watching and/or searching vessels and/or auxiliary shipping properties.
- (5) That, in order to avoid friction due to inexperience, the Customs is authorised and directed (so far as may be consistent with the efficient discharge of its specialised revenue functions), when requested, to loan to the Inspectorate of Salt Revenue dependable officers who are experienced in Customs routine to act as instructors to Inspectorate officers and to searching parties.
- (6) That the Inspectorate of Salt Revenue has the right to search all vessels whether entering or leaving any port; but that initially (and until the Customs is notified by the Chief Inspectors of Salt Revenue that they have taken full responsibility for the discharge

of the functions of search on board vessels at points initially covered by the Customs) the Customs is to search for illicit salt all vessels entering or leaving ports other than vessels leaving Shanghai for up river, the Yangtze ports, Nanchang, and Changsha.

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CIRCULAR No. 4309 (SECOND SERIES).

**Import goods damaged or destroyed: (a) at time of being landed, (b) on their way to godown, (c) while in bond: allowance to be made in duty for damage suffered; Bonding Regulations (General) altered accordingly.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 18th September 1931.

SIR,

1.—Recently I received a letter from the Shanghai General Chamber of Commerce referring to the duty treatment at present in force for damaged goods, and in my reply to the Chamber I promised, as you will see from the enclosed correspondence, to lay the matter before the Kuan-wu Shu.

2.—As far back as 1875 the Tsungli Yamên, to whom the question had been submitted, ruled that once cargo had been passed over the ship's side into cargo-boats it was to be regarded as landed, and as such was liable to the full duty leviable no matter if it became damaged or destroyed between ship and godown (*vide* I.G. Circular No. 48 of 1875).<sup>\*</sup> Up to the present this decision of the Government has remained the guiding principle in all cases where cargo has been damaged or lost between ship and shore, although in not a few instances the Government—on protest being lodged in the recognised way (I.G. Circular No. 250)—have granted refund of the duties levied in whole or in part. The British Legation has from time to time protested against the application of this Tsungli Yamên ruling, maintaining that the expression "landing of the goods" in the phrase "import duties shall be considered

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<sup>\*</sup> *Antea*, vol i, pp. 350-359.



payable on the landing of the goods," occurring in Article XXV of the British Treaty of Tientsin (1858), means not the operation of landing, but the completion of that operation, that goods are not landed until they are actually on shore, and not until then liable to the payment of the treaty duty. The validity of this contention has never been admitted by the Chinese Government, who have consistently maintained that from the point of view of duty leviable goods are considered as landed once they have left the ship.

3.—This ruling of the Tsungli Yamên, however, did not interfere with the special duty treatment of cargo damaged *en route*—i.e., between place of shipment and leaving of the ship's side at the Chinese port of destination—and duly declared as such. Damaged cargo of this nature came under specific treaty stipulations, which ruled that a fair reduction of duty should be made proportionate to the deterioration suffered by the goods, and which laid down the procedure for settling the value of such damaged goods.\* This principle of allowing duty reduction on damaged goods, duly declared, was fully recognised in Customs practice, and even when such damaged goods were sold by auction it was definitely ruled that advantage was not to be taken of such sale to make the merchant pay full duty on damaged goods as if they were undamaged.†

4.—The restoration of tariff autonomy, the enforcement of an Import Tariff with rates running as high as 50 per cent *ad valorem*, and the introduction of revised Bonding Regulations have brought up several times recently the question of whether the Government should or should not make allowance in their duty treatment—

- (a) Of goods lost or damaged between ship and godown, and
- (b) Of goods which have deteriorated or been wholly or partially destroyed while in bond.

In view of the fact that allowance had always been made for goods damaged *en route* from abroad to China, and declared as such, and seeing that in the past the Government very often had made allowance for goods damaged between ship and shore, I requested

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\* French Treaty of Whampoa, 1844, Art. XVI ("Treaties, Conventions, etc.," vol. i, *op. cit.*, p. 779); British Treaty of Tientsin, 1858, Art. XLII, XLIV ("Treaties, Conventions, etc.," *op. cit.*, vol. i, pp. 416, 417); French Treaty of Tientsin, 1858, Art. XIX ("Treaties, Conventions, etc.," *op. cit.*, vol. i, p. 824); Belgian Treaty of Peking, 1865, Art. XXX ("Treaties, Conventions, etc.," *op. cit.*, vol. ii, pp. 15, 16); German Treaty of Tientsin, 1861, Art. XIX ("Treaties, Conventions, etc.," *op. cit.*, vol. ii, p. 125); Japanese Treaty of Tientsin, 1871, Trade Regulation X ("Treaties, Conventions, etc.," *op. cit.*, vol. ii, p. 579).

† I.G. Cir. No. 1786 (T.Q.S. No. 347).

the Shu to consider whether the Government could not make it a standing rule in future that the same duty treatment shall be accorded to goods lost or damaged between ship and godown as is now accorded to goods lost or damaged *en route* from abroad to China.\* I also pointed out that if bonded goods which have deteriorated, or been in any way partially or wholly lost or destroyed, while in bond are to receive special duty treatment, special rules will be required for the exercise of such duty treatment.

5.—The enclosed copy of Kuan-wu Shu despatch No. 6137 conveys the Government's answer to all these queries and suggestions. From it you will observe that the Kuan-wu Shu, after consulting the National Tariff Commission, has decided on the following rule:—

All import goods are to pay duty according to their quantity or value at time of leaving the importing vessel; but if such goods—

- (a) At time of being landed; or
- (b) On their way to the godown (which term includes both ordinary godowns for general cargo and Customs bonded godowns); or
- (c) While in bond;

are damaged or destroyed by flood, fire, or other unforeseen disaster, of which clear and complete evidence is produced, the Customs may take into consideration the extent of the damage thus incurred and reduce or exempt the duties accordingly.†

In consequence of this decision, Articles Nos. 15 and 27 of the Customs Bonding Regulations (General) are to be amended as follows:—

15.—Goods withdrawn from bond for import shall pay duty according to the quality and quantity of the goods on their first entry into bond; but if such goods while in bond have been damaged by flood, fire, or other unforeseen disaster, the Customs will reduce or exempt the duty according to the extent of the damage thus incurred.

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\* I.G. Cir. No. 4226, *antea*, vol iv, p. 462; *vide* also "Code of Customs Regulations and Procedure" (3rd Edition), 1937, pp. 196, 197.

† This rule was subsequently modified so that if import goods, prior to the payment of Customs duty, are damaged or destroyed by flood, fire, or other unforeseen disaster, of which clear and complete evidence is produced, the Customs may take into consideration the extent of the damage thus incurred and reduce, or exempt, the duties accordingly. Once, however, duty has been paid there can be no refund. (*Vide* I.G. Cir. No. 5117, *postea*, vol. v.)

27.—The Customs shall have no responsibility whatever for any loss of, or damage to, bonded cargo on account of robbery, theft, fire, or any other cause.

6.—I have further to instruct you to issue, conjointly with the Superintendent, a notification to the public, informing them of the changes in Articles Nos. 15 and 27 of the Customs Bonding Regulations (General), quoting the English text as given above and the Chinese text as follows:—

- 十 五 公用關棧出棧報運進口之貨物其稅款須按照其貨物初入棧時之性質及數量徵收之但該項貨物在存放關棧時期如因水火或其他不測禍變而遭受損失者海關得按情減免其所徵之稅款
- 二十七 存棧貨物如有蒙受損失情事應由棧主自理海關不負任何責任

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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ENCLOSURE No. 1.

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*The Secretaries of the Shanghai General Chamber of Commerce  
to the Inspector General.*

6th June 1931.

SIR,

IMPORT DUTY—DAMAGED OR DESTROYED CARGO.

We have the honour to inform you that we have been directed by our Committee, at the request of national Chambers, to submit the following for your kind consideration.

In accordance with a general rule of the Maritime Customs, import duty becomes due and leviable at the instant when the cargo is landed and that cargo is considered to be landed when it comes over the importing vessel's side.

It follows that once import cargo has left the importing vessel's side, it becomes liable to import duty even if subsequently damaged or destroyed before application has been made to pass Customs or to enter a bonded warehouse.

In view of the large increase in duties and the consequent increase in the quantities of goods being placed in bond, this rule, which made but little difference while duties were in the neighbourhood of 5 per cent, is now of considerable importance and is liable to inflict serious hardship on importing firms.

Though the risk is an insurable one, the cost of the additional premium would be by no means inconsiderable in such cases as liquors, tobacco, artificial silk, etc. Further, though the goods are technically imported, according to the Customs ruling they are not actually imported for sale in China until the Customs have been cleared and duty paid, and it therefore seems unreasonable to consider their value as increased by the amount of duty, when, were the goods reshipped abroad from bond, their value would of course be merely the cost without duty.

Should by any mischance the goods be seriously damaged in course of landing, or prior to removal from bond, the duty would under the present ruling be leviable on sound value, though the actual realizable value of the goods might be considerably less than the duty which would be levied.

Though the matter is of importance to the merchant, it is also of great importance to the bonded warehouse companies, which are obliged to give an undertaking to the Maritime Customs that goods will not be released from the bonded godowns until duties have been paid.

Under the present Customs ruling, should goods stored in bonded godowns be destroyed by fire or other causes, the owner of the bonded godown would become responsible for the payment of all duties and in order to protect himself against loss would be obliged to insure for the full amount of the duty which would be leviable, the cost of which would of necessity increase the storage charge.

At a time when there is such universal depression, every effort should be made to facilitate trade.

In other countries as far as is known, Customs duty is not leviable until after cargo has been actually landed in a public or private godown (exclusive of bonded godowns) and is then chargeable only on such cargo as is received in sound and saleable condition.

Our Committee are unanimously of opinion that the rule now in force be amended and that—

- (1) Duties become leviable on the sound value of goods landed in public godowns (excluding bonded godowns).
- (2) Duties on goods stored in bonded godowns shall become leviable on the sound value of goods on their removal from bond, except where such goods are being reshipped under bond and that in the event of goods being destroyed by fire, or other cause prior to removal duty shall not be leviable or in the event of goods being damaged to an extent that affects their saleable value such depreciation will be taken into consideration in the assessment of duty.

Our Committee beg respectfully to request you to be so kind as to give this matter your careful and favourable consideration as early as convenient as it is felt that the operation of the present ruling is liable to impede trade and inflict hardship on importers.

We have, etc.,

BECK, SWANN,

*Secretaries.*

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*The Inspector General to the Secretaries of the Shanghai General Chamber of Commerce.*

No. 9265.  
General.

SHANGHAI, 17th June 1931.

GENTLEMEN,

I am directed by the Inspector General of Customs to acknowledge receipt of your letter of 6th June:

Referring to the established rule of the Maritime Customs that cargo is considered to be landed when it comes over the importing ship's side and therefore liable to full duty no matter whether subsequently damaged or

destroyed; pointing out the disabilities imposed by this ruling; and suggesting that it be amended so that in future duties shall be levied only on the sound value of goods landed in public godowns, and that duties on goods stored in bonded godowns shall be leviable on the sound value of goods on their removal from bond, and that goods destroyed by fire or other accidental agency while in bond shall not be liable to duty:

and, in reply, to say that it is not in the power of the Inspector General to alter a ruling of the Government; but as some of the arguments advanced by the Chamber appear to be not unreasonable, he is laying the whole question before the Government for their consideration.

I am, etc.,

H. KISHIMOTO,\*

*Chief Secretary.*

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\* Hirokichi Kishimoto was born on the 10th July 1883 at Tokyo, and joined the Customs Service on the 1st August 1905 as 4th Assistant, C. After serving for over two and a half years at Chefoo he was transferred to the Inspectorate at Peking, where he remained till the end of June 1912. He was next stationed at Shanghai for over two years, and then at Tsingtao for two years, where he was on special duty in connexion with the Japanese occupation of that port. On return from long leave he was again stationed at the Inspectorate at Peking, serving in the capacity first of Acting Assistant Chinese and then of Acting Chinese Secretary from October 1917 to October 1922. He was promoted Deputy Commissioner in April 1921 and Commissioner in October 1925. From the 19th October 1923 to 1st November 1925 he was on duty at Shanghai, and for some time officiated as Commissioner in charge of the port. After a year and four months at Dairen as Commissioner in charge he was once more transferred to the Inspectorate—first at Peking and later at Shanghai, where he remained for over two years in the capacity of Chief Secretary. On return from long leave he was in charge again of Dairen for nine months, before being transferred once more to the Inspectorate at Shanghai as Chief Secretary, a post which he has held continuously from the 1st April 1931 to date (1939). During the Inspector General's absence from the 1st April 1931 to August 1937 as counsellor to the Chinese delegation attending the coronation of King George VI of England, Mr. Kishimoto signed for the Inspector General. Mr. Kishimoto holds the Order of the Chia Ho, 3rd Class, and 3rd Class with Brilliants, and has been specially thanked for his meritorious services rendered in January and February 1932 in successfully removing some 100 members of the Chinese staff and their families from regions of extreme danger during the Sino-Japanese conflict at Shanghai.

## ENCLOSURE No. 2.

財政部關務署指令則字第六一三七號 中華民國二十年九月十一日

令總稅務司梅樂和

呈一件關於損壞及焚燬進口貨物應如何厘訂減免辦法請示遵由

呈悉已函准國定稅則委員會擬議前來茲特由署規定凡進口貨物應按該貨離船時之數量價值繳納關稅但該項貨物如於(甲)起岸(乙)到棧(包括普通貨棧及關棧在內)或(丙)存放關棧時因水火或其他不測禍變而遭受損失經海關認為確鑿憑據證明者准予根據其損失程度按情減免其進口稅仰即遵照又海關關棧章程第十五條第二十七條並照後載條文予以修改為要此令

海關關棧章程

十五 公用關棧出棧報運進口之貨物其稅款須按照其貨物初入棧時之性質及數量徵收之但該項貨物在存放關棧時期如因水火或其他不測禍變而遭受損失者海關得按情減免其所徵之稅款

二十七 存棧貨物如有蒙受損失情事應由棧主自理海關不負任何責任

## CIRCULAR No. 4334 (SECOND SERIES).

**Import duty-paying values: temporary suspension of free gold standard by England, Sweden, Denmark, and Norway; conversion of English pounds and Scandinavian kroner into Customs gold units; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 15th October 1931.

SIR,

With reference to Circular No. 4035:

Notifying the fixed equivalents, calculated on the basis of pure gold content, of the Customs gold unit in then existing gold currencies, and instructing that the parities therein specified were to be used for converting values into Customs gold units:

the British, Swedish, Danish, and Norwegian Governments having declared an embargo on the export of gold, and thereby caused the temporary suspension in their respective countries of the free operation of the gold standard, it is no longer in order to convert the values declared on invoices in English pounds and the kroner of the Scandinavian countries into Customs gold units at the fixed parity rates of *G.U.* 1 = *Pence Sterling* 19.7265 and *Kr.* 1.492 respectively.

Accordingly, in the interests of uniformity of treatment, I have to instruct that the valuation in gold units of goods arriving under *bona fide* English, Swedish, Danish, or Norwegian invoices which are dated subsequent to the declared suspension, and which are accepted by the Customs, is to be made on the basis of the New York T.T. cross-rate (New York selling) ruling on the date shown on the covering invoice; and further that the value ruling on the date of application to import cargo, for which the local wholesale market value is expressed in English pounds, etc., is to be converted to terms of gold units through the local currency at the rate of exchange ruling on that day.

To enable the expeditious handling of Applications involving conversions from a depreciated gold currency it will be necessary that a careful account of the daily New York-London cross-rate should be available at ports for ready reference. This cross-rate is to be found in the daily press of the larger ports, and, as practically all ports are in receipt of newspapers from the larger trade centres, no difficulty should be experienced in keeping this list up to date.



In the event, however, of any uncertainty in this respect, arrangements should be made for the necessary particulars to be obtained direct from a responsible bank.

Note is also to be taken that the procedure outlined above for the conversion into gold units of the value of cargo invoiced in pounds, etc., is to be followed also in the case of cargo arriving from other gold currency countries which cease to maintain the free gold standard.

The prefatory note printed in the Import Tariff relative to the fixed equivalents of the Customs gold unit in terms of different foreign currencies is to be read in the light of the above instructions.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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CIRCULAR No. 4343 (SECOND SERIES).

**Smuggling: shipping companies' responsibilities, correspondence *in re.***

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 23rd October 1931.

SIR,

I append, for record and guidance, a copy of correspondence with the Shanghai General Chamber of Commerce, embodying representations from local shipping companies complaining of the unsatisfactory position in respect of their responsibility for the carriage of unmanifested cargo, and intimating that they consider that the duty of executing effective preventive measures rests primarily with the Customs authorities and not with themselves, etc.

It will be observed that the companies in question have been advised that the fact that the Customs, where possible, naturally exercise endeavours to prevent the shipment of goods not covered by permits does not relieve them of their responsibilities in this connexion, and that in respect of the entry of illicit cargo from abroad our activities are necessarily of a detective rather than a preventive nature (*vide* Circular No. 157).\*

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. i, pp. 419-421.

ENCLOSURE.

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*The Secretaries of the Shanghai General Chamber of Commerce  
to the Inspector General.*

15th October 1931.

SIR,

## SMUGGLING OF GOODS INTO CHINA.

We have the honour to inform you that we have been directed by our Committee to forward you the attached copy of a letter submitted to this Chamber by a number of shipping companies who operate China coast and riverine steamship services on the above subject, which is self-explanatory.

Our Committee have given the matter their consideration and they have directed us to state that the preventive measures suggested by the shipping companies have their approval and they beg respectfully to suggest that same be given your sympathetic consideration.

We have, etc.,

BECK & SWANN,  
*Secretaries.*

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SUB-ENCLOSURE.

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*Certain Shipping Companies to the Secretaries of the Shanghai  
General Chamber of Commerce.*

SHANGHAI, 25th September 1931.

DEAR SIRS,

We, the undersigned shipping companies, engaged in trade in China and neighbouring ports, desire to bring to your notice the present unsatisfactory position with regard to responsibility for the carriage of unmanifested cargo imposed upon us by Chinese Maritime Customs.

Since the introduction of a greatly increased Import Tariff at the beginning of this year, there has been a large increase in the profits obtainable from the smuggling of goods into China, with consequent increase in the number of persons engaged in this traffic, and in the scope of their activities.

Shipping companies view this increase of smuggling with grave concern, and are taking such steps as they can to prevent it, but the Customs, who also wish to prevent smuggling, to a large extent throw the onus of this upon the shipping companies, the action taken by them in order to prevent smuggling consisting largely in the infliction of fines upon the masters of vessels on which smuggled cargo is found.

The responsibility for presentation of a full and correct manifest which lies with the master is not denied, but it should be evident that the officers on a coasting ship, occupied largely with their other duties, cannot be expected to search a vessel with the same thoroughness as an expert Customs search-party armed with full powers, and that when organised gangs of smugglers are at work, who are usually easily able to evade the vigilance of specially trained and expert Customs officers on board, the infliction of fines upon the master cannot do much to prevent smuggling.

It is well known that such gangs of smugglers are engaged in this traffic, yet, when such smugglers are caught actually engaged upon their trade, no action whatever is taken against them by the Customs, other than the confiscation of smuggled goods, which acts as a very small deterrent in view of the large profits to be made from smuggling, and the fine inflicted upon the master neither enables him to punish the offenders nor to prevent a repetition of the offence.

In certain cases, it is true, goods are smuggled by, or with the collusion of, members of our crews; over these we have authority and when persons guilty of smuggling are discovered, they are dismissed, but you will appreciate that, with the large floating population of sailors on the China coast, it is impossible to ensure that persons so dismissed will not obtain re-employment elsewhere, in fact, when backed by wealthy smuggling interests, it is often not difficult for such persons to obtain re-employment.

We shipping companies are willing and anxious to see this smuggling stopped; and we are willing to co-operate with Chinese Maritime Customs to this end to the best of our ability, but we consider that the duty of carrying out effective preventive measures lies primarily with the Customs and not with shipping companies, and we write to ask if representations could be made to the Customs requesting them to organise measures which will more effectively discourage smuggling.

Effective policing of harbours, and enforcement of harbour regulations, would largely restrict the movement of bad characters; at many treaty ports, gangs of smugglers are well known, and could be dealt with by the authorities had they the will to do so; and we would particularly request you to impress on the Customs how

absolutely essential it is to deal with those caught in the act of smuggling, whether members of ships' crews or not, who are now allowed to go about their business without fear of punishment, and that these should invariably be prosecuted for their offence.

These measures suggested by us would, we consider, do far more to prevent smuggling than the present policy of Chinese Maritime Customs which blames only the shipping companies; they are measures which would be taken in almost any other country in the world and we consider that if the Customs cannot by such means deal with those responsible for smuggling, they cannot expect private traders to do so.

Yours faithfully,

*per pro* BUTTERFIELD & SWIRE,

*Agents, China Navigation Co., Ltd.*

JARDINE, MATHESON & CO., LTD.,

*Gen. Mgrs. Indo-China S. N. Co., Ltd.*

CHINA MERCHANTS S. N. CO., LTD.,

*Manager.*

DAIREN KISEN KAISHA,

*Manager.*

NISSHIN KISEN KAISHA,

*Manager.*

CHING KEE S. N. CO.,

*Manager.*

SAN PEH S. N. CO., LTD.,

*Manager.*

NINGPO-SHAOSHING S. N. CO., LTD.,

*Act. Manager.*

SHAWSHING S. N. CO.,

*Manager.*

*The Inspector General to the Secretaries of the Shanghai General Chamber of Commerce.*

21st October 1931.

SIRS,

1.—I am directed by the Inspector General of Customs to acknowledge receipt of your letter dated 15th instant:

Transmitting a communication submitted to the Shanghai General Chamber of Commerce by a number of shipping companies who operate on the China coast, emphasising the unsatisfactory position with regard to responsibility for the carriage of unmanifested cargo imposed upon them by the Chinese Maritime Customs; that the officers of coasting vessels, occupied largely with other duties, cannot be expected to search a ship with the same thoroughness as an expert Customs search-party *armed with full powers*; that when smugglers are caught actually engaged upon their trade, no action is taken against them by the Customs other than the confiscation of the goods; that it is considered that the duty of carrying out *effective preventive measures lies primarily with the Customs and not with the shipping companies*; that the effective policing of harbours and enforcement of harbour regulations would largely restrict the movements of bad characters; and that if the Customs authorities cannot by the exercise of the above means deal with those responsible for smuggling, they cannot expect private traders to do so, etc.:

and, with reference thereto, to state as follows:—

2.—The Customs procedure is based to a large extent upon treaty stipulations, and foreign shipping companies are required by treaty to furnish manifests presenting a full and true account of the particulars of the cargo carried, and masters are held directly responsible for the correctness of such manifests. Furthermore, it should also be considered that in addition to treaty concessions, shipping companies in most cases enjoy extra-treaty privileges, which are specifically outlined in Annual Guarantees submitted to the Customs: but while the Customs authorities thus extend in many cases extra facilities, the terms of the relative Annual Guarantees require the companies, in turn, to assume certain

obligations, the chief of which is thorough search of the vessel concerned, in order to prevent the shipment and carriage of contraband goods. It must be clearly understood, therefore, that shipping companies are thus accorded extra-treaty privileges *conditionally*, and that the continuance of such privileges is dependent upon the observance of the conditions governing them. This being understood, the Customs authorities decline to entertain the suggestion that officers in vessels "occupied largely with their other duties" cannot be expected to search with the same thoroughness as Customs officers "with full powers": that is, we cannot accept the principle that the responsibility of preventing the shipment of non-manifested goods imposed upon foreign steamer companies by international engagements and by the terms of the above-mentioned Annual Guarantees should be shifted from the companies' employees and placed upon the shoulders of Customs officers. An effective remedy against the shipment of non-manifested goods rests in the hands of the companies themselves—that is, their own employees ought to prevent it: the illicit cargo is carried by their own steamers, is often placed, and concealed, on board, by their own men, and, finally, is delivered at destination by their own men;—if they, therefore, cannot stop the shipment and carriage of smuggled goods, who can?

3.—It is an admitted fact that the major portion of sea-borne contraband goods in South China originates in Hongkong (or "neighbouring ports") where the Chinese Maritime Customs have no direct control whatsoever, and it follows that without control there can be no responsibility. This premised, it is not understood *how the duty of carrying out preventive measures at such places lies primarily with the Chinese Customs and not with the shipping companies*; and it is suggested that the latter should, in the circumstances, address the Colonial or other local authorities—not the Customs—on the subject. Meanwhile, we expect and require that the manifests of vessels coming from Hongkong and "neighbouring ports" shall contain a correct description of everything on board and that the specific terms of the Annual Guarantee in respect of search will be duly executed.

4.—Turning to the complaint that smugglers, when detected, are not sufficiently punished, it should be remembered that revenue offences do not appear to be codified under Chinese law at present, as is the case in most foreign countries; and the Customs authorities are studying the question with a view to remedying this defect, in accordance with instructions received from the Government.

5.—And, furthermore, in regard to policing harbours and compelling adherence to harbour regulations, I may remark that, although one of the River Police Forces in Shanghai is controlled by the Customs at present, such extra-Customs activities elsewhere come under the jurisdiction of the local Chinese authorities, and in such circumstances the Customs cannot assume responsibility; and it follows, of course, that stricter enforcement of harbour regulations in respect of boarding vessels when under way, and such-like, presents difficulty in the absence of efficient river police organisations.

6.—I am to add that nothing in what precedes should be taken to mean that the Customs authorities do not fully and entirely realise the seriousness of the increased smuggling now obtaining, and due chiefly to the higher tariff and to the absence of Chinese Customs control in the foreign free port of Hongkong, entailing not only loss of revenue to the Government, but loss of freight to the shipping companies; or that we fail to appreciate the difficulties that confront the companies in their efforts to protect their own interests. But seeing that about 90 per cent or more of the smuggling in South China emanates from Hongkong, as already mentioned, and that treaties specifically hold the vessel concerned responsible where illicit goods are discovered on board, the Customs authorities cannot and will not subscribe to the implied suggestion that the sole responsibility of preventing smuggling in foreign vessels attaches to Chinese Customs officers rather than to the officers and crews of the vessels concerned. We have organised and are developing a general preventive service for all China, but where illicit goods enter the country from abroad it is clear that our operations in this respect are necessarily *detective* and in the nature of things cannot be *preventive*!

I am, etc.,

H. KISHIMOTO,  
*Chief Secretary.*

## CIRCULAR No. 4345 (SECOND SERIES).

**Duty Memo.: introduction of new form of; I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 29th October 1931.

SIR,

1.—Early in 1930 the Kuan-wu Shu authorised the introduction at Shanghai of a new form of Duty Memo. for a trial period of one year. The Shanghai Customs having reported that the new Duty Memo. has proved an unqualified success and has resulted in staff economy, elimination of error, and acceleration of office work, the Shu has now instructed, in its despatch No. 6169, a copy of which is appended,\* that it be adopted at all ports.

2.—From the appended *pro formas*\* (Enclosures Nos. 3 and 4) of the new Duty Memo. you will note that it is made up of four parts, separated by perforations. Part I, the Duty Memo. proper, becomes the Bank Receipt after payment of duty, when it is sent to the Superintendent of Customs. Part II is the applicant's Duty Receipt. Part III is the Revenue Accounts butt and constitutes the Customs record of duty payment. Part IV is the Customs Bank butt, which is retained by the Customs banker. At certain ports Part IV (Customs Bank butt) may not be required, and, if this is the case, you should so indicate to the Statistical Secretary when requisitioning for your initial supply. Before deciding on this point, however, it will be advisable to inquire from your banker whether or not he desires the inclusion of Part IV.

3.—The new Duty Memo. is to be introduced on 1st January 1932, and the public is to be notified accordingly by means of a notification issued jointly with your Superintendent. In order to give merchants an opportunity to familiarise themselves with the new Duty Memo. and thus ensure its smooth introduction, you are requested to place on the notice-board in the Custom House the accompanying specimens of the new documents, together with copies of the appended "Directions for Use of new Duty Memos. and Duty Receipts" in Chinese and English.

The new Duty Memos. are printed by the Statistical Department, bound in books of 50, and are to be sold to the public for \$0.40 a book. Only Duty Memos. printed by the Customs will be accepted: applicants are not permitted to use Duty Memos. printed privately.

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\* Not printed.



4.—From the appended *pro formas*\* you will see that there are two kinds of Duty Memos.: (1) Import Duty Memo. and (2) Export/Interport Duty Memo., the latter being used both for export and interport duties. You are requested to requisition promptly for the estimated number of Duty Memos. that you will use in one year. At the same time you should forward to the Statistical Secretary one of the accompanying specimens, and indicate thereon any alterations in the form called for by special conditions at your port, e.g., the provision of space for the entry of conservancy dues or other local taxes collected by the Customs. The heading "Special Tax" is provided to take care of any special levy (e.g., famine relief surtax) which the Government may in future call upon the Customs to collect.

5.—The new Duty Memo. differs from the Duty Memo. now in use not only in form, but also in the method of its preparation and issue. Whereas the present Duty Memo. is written entirely by the Customs, the new form is prepared by the applicant, who fills in all particulars except vessel's number and duty, which are entered by the Customs. The Duty Memo. is handed in to the Customs with the Application. Duty is calculated and entered in Parts I and III by the Customs and the Duty Memo. returned to the applicant. When duty is paid at the bank Parts III and IV are detached by the banker, who sends Part III to the Revenue Accounts Office and retains Part IV for reference. It is to be noted that Part IV is filled in by the banker and not by the Customs. The banker impresses his seal on Part I and returns it, with Part II, to the applicant. If the applicant requires a receipt for duty, he must complete Part II himself before returning the Duty Memo. to the Customs after payment of duty.

6.—A full impression of the Commissioner's seal is stamped on Part I, and a second impression is stamped half on Part III and half on Part IV. This stamping is done after calculation of duty but before issue of the Duty Memo. to the applicant. Special small seals for stamping Duty Memos. are in use at Shanghai and will be supplied to the ports in due course, but, in order to avoid delay in the introduction of the new Duty Memo., existing office seals are to be used for the time being. After payment of duty the applicant's Duty Receipt (Part II) is detached, placed on the relative Application and bill of lading, and stamped with the Commissioner's seal, so that Receipt, Application, and bill of lading each receives part of the impression.

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\* Not printed.

7.—At Shanghai, under the former procedure, duty was calculated by Clerks and entered in arabic figures on the Applications, which were then passed to Ho-shui-yüan, who prepared the Duty Memos. As the duty is entered on the new Duty Memos. by the Clerks who calculate duty, the need for Ho-shui-yüan at the Duty Memo. Desks has been eliminated. At ports where the present procedure is similar to that formerly in force at Shanghai, Commissioners are requested to study the possibilities of reducing the number of Ho-shui-yüan. It is believed that a substantial economy in this branch of our Staff can be made as a result of the introduction of the new Duty Memo., and that, except perhaps at a few of the larger ports, no increase in the number of Clerks will be required. You are therefore requested to recommend for retirement, as soon as you are in a position to do so, Ho-shui-yüan whose services can be dispensed with and to indicate by how much, if at all, it will be necessary to increase your staff of Clerks. Reports on the Ho-shui-yüan recommended for retirement should be accompanied by form [B.—41], in duplicate.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## CIRCULAR No. 4349 (SECOND SERIES).

Ship's papers: Certificates of Nationality to take the place of Chiao-t'ung Pu Chihchao, Ch'uanp'ai, Junk Licences, etc.; to be held by all vessels of 20 tons gross tonnage or 200 piculs capacity or over; instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 9th November 1931.

SIR,

1.—With reference to previous Circulars:

Concerning the issue by the Customs of Ch'uanp'ai to Chinese-owned steam vessels:

to Circular No. 2212:

Circulating provisional regulations for the registration of Chinese-owned steam vessels and the issue of ships' registers, Article 2 of which lays down that such vessels must first obtain a Certificate of Registration from the Ministry of Communications before Customs Ch'uanp'ai can be issued to them:

to Circular No. 2791:

Stating that Chinese-owned sailing vessels of foreign type are to conform to the above regulations:

to Circular No. 2894:\*

Pointing out that neither the Certificate of Registration (Chiao-t'ung Pu Chihchao) nor the Customs Ch'uanp'ai is suited to the requirements of foreign trade and stating that national papers will in due course be issued under the authority of the Ministry of Communications:

to Circular No. 4295:†

Notifying the establishment by the Ministry of Communications of Navigation Bureaux at certain ports for the purpose of taking over all the duties formerly performed by the Customs in connexion with the measurement and inspection of steamers and the issue of the necessary documents, which, together with

\* *Antea*, vol. iii, pp. 482-484.

† *Antea*, vol. iv, p. 535.

the Certificate of Registration, will constitute the necessary ship's papers, and stating that the question of the registration of vessels by the Ministry of Communications forms the subject of another Circular:

and to my telegram of 1st July 1931 to certain ports in Northern and Central China:

Intimating that from 1st July 1931 the Customs are to cease to issue Ch'uanp'ai to Chinese-owned vessels in possession of Chiao-t'ung Pu Certificates (Certificates of Registration), which Certificates, after inspection, are to be endorsed by the Customs, but that upon the Superintendent's request Ch'uanp'ai may be issued as provisional certificates to be valid for three months from date of issue, after which period the vessels concerned must either produce Chiao-t'ung Pu Certificates or be prevented from trading:

I now circulate, for your information and guidance, copy of Chinese correspondence exchanged with the Kuan-wu Shu on the subject of registration of vessels by the Ministry of Communications, the issue of national papers by the Ministry of Communications to Chinese-owned steam and sailing vessels, and the cessation of issue by the Customs of Ch'uanp'ai, Inland Waters Steam Navigation Certificates, and River Passes.

2.—Early in April 1930 I drew the attention of the Kuan-wu Shu (*vide* despatch No. 967 to Shu) to the anomaly of two independent Government organisations issuing almost identical ship's papers, pointing out at the same time how unfairly this bore upon Chinese shipping, and suggested that in future the Chiao-t'ung Pu Certificate should be the only national paper required of a Chinese vessel, but that a Customs Ch'uanp'ai might be used as a provisional certificate to a new vessel, which should be cancelled within a prescribed time-limit when the requisite Chiao-t'ung Pu Certificate had been obtained. The reply to these representations later came forward in the form of a revised set of Chiao-t'ung Pu regulations governing the registration and issue of Certificates of Registration to Chinese-owned steamers (*vide* Kuan-wu Shu despatches Nos. 5101 and 5632). In these regulations it was laid down that the Customs are no longer to issue Ch'uanp'ai, Inland Waters Steam Navigation Certificates, or River Passes to Chinese-owned steam vessels and that the only occasion when application may be made to the Superintendent of Customs for the issue of a Customs Ch'uanp'ai as a provisional certificate is when there is no

time to apply to the Ministry for a Certificate. With reference to these instructions I may incidentally state that I informed the Shu (*vide* my despatch No. 2278) that it is desirable for the Customs to continue to issue both Inland Waters Steam Navigation Certificates to steamers trading to inland places and River Passes to steamers plying on the Yangtze and West Rivers.

3.—The Kuan-wu Shu in its despatch No. 6185 transmitted further instructions from the Ministry of Communications, stating that, in accordance with the provisions of the Code of Maritime Law (*vide* Circular No. 4270) and the Merchant Shipping Act (*vide* Circular No. 4291), all Chinese-owned vessels of a gross tonnage of 20 tons or over or having a (dead-weight) capacity of 200 piculs or over must in future carry a Certificate of Nationality (船舶國籍證書) issued by the Ministry of Communications; that this Certificate, which is of two kinds—*A* for steam vessels and *B* for junks (*vide pro formas*,\* Enclosures Nos. 2 and 3),—is to take the place of the Chiao-t'ung Pu Certificate, which will no longer be required; that application for the issue of Certificate of Nationality is to be made to the Chiao-t'ung Pu through the local Navigation Bureau; and that newly constructed Chinese-owned vessels which have applied for but not received their Certificate of Nationality may be allowed to ply temporarily under a Registration Certificate (船舶登記證明書)—*pro forma*\* appended (Enclosure No. 4)—issued by the local Navigation Bureau. Subsequent instructions fixed the end of this year as the time-limit within which vessels must obtain a Certificate of Nationality; that vessels which fail to comply with these orders are to be refused clearance (Kuan-wu Shu despatch No. 6485); and intimated that the Navigation Bureau's Registration Certificate is to be accepted as a temporary ship's paper for not longer than two months from the date of issue (Kuan-wu Shu despatch No. 6366).

4.—In order to facilitate reference, the above instructions (amplified, where necessary, with additional remarks drawing attention to changes in Customs procedure, etc.) may be epitomised as follows:—

- (1) All Chinese-owned vessels (*i.e.*, steam or motor vessels, sailing vessels of foreign type, and lorchas of a gross tonnage of 20 tons or over or junks having a (dead-weight) capacity of 200 piculs or over) which are already in commission must obtain a Certificate of

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\* Not printed.

Nationality by the end of 1931. From the beginning of 1932 any such vessel which has not obtained this Certificate is to be refused clearance by the Customs.

- (a) Vessels of the above tonnage holding a Chiao-t'ung Pu Chihchao may be allowed to ply under such Chihchao until the end of 1931; by which time they must have exchanged it for a Certificate of Nationality (Kuan-wu Shu despatch No. 6485).
  - (b) Junks of the above capacity may continue to be allowed to ply under Customs Pass-book, Licence, or other papers now held until the end of 1931, by which time they must obtain a Certificate of Nationality (Kuan-wu Shu despatch No. 6365). From the beginning of 1932 Customs Junk Licences or Certificates are no longer to be recognised or issued for such vessels, the Certificate of Nationality taking the place of such papers in future. The Customs, however, are to continue to issue, and junks to be required to obtain, Junk Pass-books in accordance with existing practice.
- (2) Vessels of less than 20 tons gross tonnage or 200 piculs capacity are to continue to be cleared under, and to apply for, papers in accordance with existing practice (Kuan-wu Shu despatch No. 6250).
- (a) For steam or motor driven vessels, sailing vessels of foreign type, and lorchas of less than the above tonnage, therefore, Chiao-t'ung Pu Chihchao will continue to be valid after the end of 1931.
  - (b) Junks of less than 200 piculs capacity will continue to be issued Licences, Certificates, etc., by the Customs in accordance with existing practice, in addition to Pass-books.
- (3) All newly constructed Chinese vessels of not less than the minimum tonnage or capacity laid down above must apply to the Chiao-t'ung Pu, through the local Navigation Bureau, for a Certificate of Nationality. Such vessels which have applied for but not yet received this Certificate may be allowed to ply

temporarily under a Registration Certificate (船舶登記證明書) issued by the local Navigation Bureau for a period not exceeding two months from date of issue. If after expiry of this time-limit a Certificate of Nationality is not produced, further clearance of the vessel is to be withheld.

- (4) Customs Ch'uanp'ai will no longer be issuable, even as a provisional certificate, to Chinese vessels of a gross tonnage of 20 tons or over. Vessels of less than this tonnage may, for the present, be furnished with a Ch'uanp'ai as a temporary ship's paper at the Superintendent's request. Such Ch'uanp'ai, however, shall not be valid for a period exceeding three months.
- (5) Chinese vessels which have obtained, but for a reasonable cause are unable to produce, their Certificates of Nationality or (until the end of 1931) their Chiao-t'ung Pu Chihchao may be allowed provisionally to clear under the Navigation Bureau's Registration Certificate. In no case, however, is a vessel to be granted clearance under this Certificate for a period of more than two months unless special authority has been received through the Inspectorate.
- (6) For the time being, and until further instructions, the Customs are to continue to issue Inland Waters Steam Navigation Certificates and River Passes according to standing regulations.

5.—On receipt of this Circular you are to issue, in consultation with the Superintendent, a notification containing the instructions of the first four sections of the above summary.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

總稅務司呈 關務署文第九六七號 中華民國十九年四月四日

呈爲呈請事竊查自海關成立以來因政府初未設置交通部所有船舶註冊事宜原歸海關管理並由關發給各輪船等一項船牌以憑行駛嗣於民國三年間奉前稅務處第二五三〇號令頒發交通部輪船註冊給照章程於是始有輪船等均須呈請交通部核准註冊給照之規定惟同時未將海關之船牌取銷並於給照章程內規定凡輪船及夾板船等非經交通部註冊給照不得向海關領取船牌及領有交通部執照之船舶須由海關驗明後發給船牌始得行駛各等語以故自是迄今凡輪船於開駛以前既須向交通部繳納照費請領執照復須在海關繳納船牌費請領船牌歷經照辦在案現按此項船牌之性質實與現在交通部所發之執照無稍區別據理而論在交通部頒訂前項輪船註冊給照章程規定輪船應由該部發給執照時本應將與執照同一性質之船牌同時予以取銷俾免重複乃當時不但未取銷船牌名目且以之訂入部章之內視爲必要之執據是凡一輪船必須請領同樣之兩種證據方得行駛殊屬未臻允洽在職竊以爲似有於此兩者之中取銷一項之必要擬請嗣後凡輪船等只須領有交通部所發執照即可准其行駛惟仍可於章程內按照原章第十一條之規定訂明如新置船舶急須行駛不及呈部請領執照時得呈由海關暫行發給船牌以便行駛並限期請領執照將所領船牌註銷等語以爲一種特別救濟辦



法事關變更定章是否有當理合備文呈請

鑒核指令祇遵謹呈

財政部關務署長張

財政部關務署訓令政字第五一〇一號中華民國二十年五月九日

令總稅務司梅樂和

爲令行事奉

部長發下交通部咨一件內稱輪船註冊給照章程業經本部修正公布相應鈔錄咨請轉飭總稅務司遵照等因附送章程准此合亟檢同原送章程令仰該總稅務司遵照此令

計發章程一份

修正輪船註冊給照章程

第一條 凡營業之輪船無論官廳或公司或個人所有均須遵照本章程呈請交通部核准註冊給照

凡營業之漁輪及夾板船等適用本章程之規定

第二條 凡輪船及漁輪夾板船等非經交通部註冊給照不得航行

第三條 凡輪船及漁輪夾板船等行駛航線由交通部分別江海內港各項於執照內指定之各航商將部照赴

海關呈驗後按照指定之航線行駛並遵照各海關理船廳現行章程辦理

船舶執照應常置船上以備查驗

第四條 凡經註冊給照之輪船及漁輪夾板船等由交通部行知航線內地方官署隨時保護之

第五條 凡呈請註冊給照時應呈報之事項如左

一 船舶使用者之姓名或其機關

二 船舶種類及其名稱

三 船舶總噸數及淨噸數

四 船舶長廣及吃水尺寸

五 船舶質料及甲板層數

六 機器種類及其數目

七 機器馬力及行駛速率

八 推進器之種類及其數目

九 航線圖說

十 航線起訖及經過處所

十一 船舶購置或租賃及其價值

十二 船舶建造年月日造船廠名及地點

十三管船員之姓名資格

輪船及漁輪初次呈請註冊給照時應檢同所有權證明文件及丈量檢驗執照一併呈驗但夾板船得免驗丈量及檢驗執照

漁輪呈請註冊給照時除依前二項之規定外並應呈驗實業部發給之漁業執照

船舶呈報行駛內河航線每船不得過三條應由同一處所起點經過地點須依次順列不得繞越凌亂夾板船減報機器種類及數目機器馬力推進器種類及數目造船廠名及地點

第六條 船舶執照得直接請領或呈由地方官署及主管航政官署轉呈請領

第七條 如在同一航線內其輪船或漁輪夾板船等名稱不得與領照在先之同類船舶名稱相同

第八條 凡船舶事業係公司經營者除所有航線及船舶依照第三條及第五條呈請註冊給照外關於公司之組織須依法令呈由主管官署註冊並應將左列各款呈報交通部備案

一 公司名稱及其種類

二 公司合同及一切章程

三 資本及創辦人認股數目

四 設立之年月日

五 創辦人及經理人之姓名籍貫住址

六總公司及其分所之設立地方

七營業之期限

八所置船舶之數

九每股額定銀數若干已繳若干及分期繳納方法與股票之式樣

第九條 如遇推廣營業變更公司章程時除照公司法辦理外須呈報交通部核准

第十條 輪船及漁輪夾板船於領有交通部執照後應駛赴海關驗明始得行駛如驗有不符合者應即禁止其航行

各海關驗明後於照上註明某海關驗訖及其年月日每三個月由海關監督彙總報部

第十一條 新置船舶急須行駛不及呈部請領執照時得呈請海關監督先發暫行船牌以便行駛但須於三個月內按照本章程呈部領照如逾期未經呈部或所報事項經交通部駁斥不准者應由海關將所發暫行船牌調銷或禁止其行駛

海關發給暫行船牌應隨即呈報交通部備案

第十二條 遇有左列情事須呈報交通部換給執照

一變更航線

二開關碼頭

三更換船舶名稱

四其他變更執照中所載各項

前項變更航線如係內河航線合計總數有逾三條以上者應將停駛某條航線呈明註銷  
依本條換給執照者應繳照費照本章程第十六條之定額收取二分之一

第十三條 如有左列各項情事應即呈報交通部並將執照繳銷

一船舶損毀不能航行時

二自行停業或經官廳以職權令其停業時

三船舶轉售贈與或租與他人時

第十四條 如違背關於航政之各項規則各主管官署得呈請交通部將其所領執照調銷

第十五條 執照如有遺失或毀損時得聲明理由呈請交通部補發但須照本章程第十六條之定額繳納四分之一之補照費

第十六條 註冊給照依左列之規定繳納冊照費

一、總噸數未滿十噸者 二十元

二、十噸以上至五十噸 四十元

三、五十噸以上至一百噸 六十元

四、一百噸以上至五百噸 一百元

五、五百噸以上至一千噸 一百五十元

六、一千噸以上至二千噸 二百元

七、二千噸以上至四千噸 二百八十元

八、四千噸以上 每五百噸加二十五元但未滿五百噸者仍以五百噸計

第十七條 本章程施行後海關對於本國船舶毋庸發給船牌或內港專照及江照

第十八條 本章程如有未盡事宜由交通部隨時以部令修正公布之

第十九條 本章程施行後所有以前輪船註冊給照章程即行廢止

第二十條 本章程自公布日施行

財政部關務署訓令政字第五六三二號 中華民國二十年七月六日

令總稅務司梅樂和

爲令行事奉

部長發下交通部咨一件內開案查十九年四月十五日准貴部關字一三五六號咨開據總稅務司呈稱海關發給船牌之性質與交通部現在所發之執照無稍區別據理而論交通部頒訂輪船註冊給照章程規定輪船由部

發給執照時應將與執照同一性質之船牌同時予以取銷俾免重複擬請嗣後凡輪船等只須領有交通部所發執照即可准其行駛至輪船註冊給照章程應如何修改以資符合咨請查照核辦見復等因當經本部詳細研究將輪船註冊給照章程酌加修正規定本章程施行後海關對於本國船舶毋庸發給船牌或內港專照及江照于本年四月十一日照錄修正章程咨請貴部查核見復旋准關字第一九二三〇號咨開查閱此項修正章程大致均極妥洽請俟公布後將該項章程定本咨送本部以便飭由總稅務司知照等因本部于五月二日將修正輪船註冊給照章程公布同月四日即照錄章程兩份咨請貴部查照並轉飭總稅務司遵照各在案迄今閱時已久又據上海航業公會呈稱江海關對於船牌內港專照及江照等項仍未遵照取消各輪船公司前往詢問答謂未奉部令羣疑莫釋事關政府威信緘默難甘仰祈咨請財政部轉飭各海關登報宣布切實奉行等情查取消船牌一案前准貴部據總稅務司呈請轉咨到部及本部修正輪船註冊給照章程又經咨准貴部覆稱均極妥洽此項章程自經本部公布並咨請轉飭遵照後將及兩月現據上海航業公會呈報海關尚未遵辦等語所稱如果屬實究係如何情形相應咨請查照轉飭總稅務司迅速查明並登報布告切實遵辦等因准此查前准交通部咨送修正輪船註冊給照章程業經本署第五一〇一號訓令飭發該總稅務司在案此次交通部咨述各節究竟是何情形合亟令仰該總稅務司從速查明呈復察核此令

總稅務司呈 關務署文第二二七八號 中華民國二十年七月十日

呈爲呈請事案奉

鈞署第五一〇一號訓令內開奉

部長發下交通部咨一件內稱輪船註冊給照章程業經本部修正公布相應鈔錄咨請轉飭總稅務司遵照等因附送章程准此合檢同原送章程令仰該總稅務司遵照等因附發輪船註冊給照章程一份奉此當經照錄章程分令各關稅務司遵辦去後茲據各關稅務司先後呈稱該章程第十七條載有本章程施行後海關對於本國船舶毋庸發給船牌或內港專照及江照之規定查停發船牌於關務雖無影響惟停發內港專照及江照等則於海關徵稅及管理上殊多窒礙按照關章凡土貨往來運輸於內地各處或內地與通商口岸之間者均應免稅運輸於彼此通商口岸或通商口岸與准許輪船停泊上下客貨處所 (Port of call) 者應徵轉口稅而運往外國口岸則應徵出口稅是貨物徵稅辦法輒以輪船航線而定今若將內港專照取銷則輪船行駛漫無區別而管理輪船保護稅收較前卽更加困難例如土貨可在通商口岸假報運往內地再由內地轉運其他通商口岸藉以避免轉口稅海關既無憑稽查稅收損失亦卽甚鉅至長江行輪章程規定船隻應在江海鎮江兩關請領江照實爲便於管理長江輪船起見亦仍應切實照辦否則輪船可直接駛入長江准許輪船停泊上下客貨處所擅自起卸貨物各該處既無海關管理其流弊自不堪設想故所有江照內港照似應仍行照給各等情前來查各關稅務司所稱內



港專照及江照等如一律停發於管理貨物及輪船諸多窒礙各節確屬實在情形現在貨物徵免辦法既以運輸之途徑而異則海關對於貨物之應徵應免或應照何項稅則徵稅勢須先明瞭輪船航綫而加以切實管理始足以保護稅收而杜規避取巧等情弊是以海關所發之江照及內港專照擬請仍准繼續發給以利關務是否有當理合據情備文呈請

鑒核指令祇遵謹呈

財政部關務署長張

財政部關務署訓令政字第六一八五號 中華民國二十年九月十七日

令總稅務司梅樂和

爲令行事奉

部長發下准交通部咨開查航商新置船舶急須行駛不及呈部請領執照者向由海關監督先發暫行船牌以便航行現在海商法船舶法及船舶登記法已經公布施行所有二十噸以上之船舶依法均須呈由航政局轉呈請領船舶國籍證書以代替輪船執照惟是此項國籍證書之轉呈請領手續較繁若新置船舶急須行駛一時或有不及等候但發給暫行船牌辦法各航政局既未沿用自應別籌補救之策以便航商嗣後凡新置船舶聲請航政局登記後在船舶國籍證書未經頒到以前得將航政局所發之船舶登記證明書暫行代用報關以資救濟除通

令外相應檢同國籍證書登記證明書式樣咨請查照希請轉令各關監督稅務司一體照辦並見復等因除已由部咨復照辦並檢發證書式樣通令各海關監督轉飭各該關稅務司遵照外合行檢發證書式樣各一份令仰該總稅務司遵照此令

計發甲乙兩種船舶國籍證書及船舶登記證明書式樣各一份

總稅務司呈 關務署文第二五一七號 中華民國二十年九月二十三日

呈爲呈請事案奉

鈞署政字第六一八五號訓令內開照錄原文等因計發甲乙兩種船舶國籍證書及船舶登記證明書式樣各一份奉此查航海貿易之民船截至現在爲止除僅執有由舊常關發給之民船執照及往來掛號簿外並無由交通部發給之任何單照此項民船執照及往來掛號簿等在海關於該項民船報關行駛時可否暫行認爲有效一面規定相當期限令其一律請領船舶國籍證書之處擬請迅卽商請交通部酌核示遵再 職前因沿海及往來外洋之民船偷漏稅項情弊日見緊多爲保護稅收及防止走私起見曾擬定海關管理民船章程草案備具第二三六〇

號文呈請

密該示遵在案迄今尙未奉到

指令究竟該項章程是否可行亦乞迅予示復俾憑遵辦又關於領有交通部執照之輪船停止發給船牌一事前奉

鈞署政字第五一〇一號訓令當經通令各關遵辦嗣後江海關稅務司羅福德呈以現在領有交通部執照之輪船常不能將執照呈驗顯與定章不合亟應設法取締擬定辦法三條呈請核示等情到署當以該稅務司所擬第三項已經領有交通部執照之船隻其原領海關船牌自七月一日起三個月以內認為有效期滿後須一律呈驗部照否則不准行駛之辦法係為關務商情兼籌並顧起見尙屬可行先經指令暫准照辦並備具第二四二二號文呈請

鑒核轉商交通部令示遵行亦在案現亦未奉

示復嗣後此等領有交通部執照之輪船如不能將其所領部照呈關查驗在海關應如何辦理之處亦乞迅賜咨商交通部酌核示復以便飭關遵照奉令前因理合備文呈請

鑒核施行謹呈

財政部關務署長張

財政部關務署訓令政字第六二五〇號

中華民國二十年九月二十二日

令總稅務司梅樂和

為令行事前據該總稅務司第二四二二號呈據江海關呈擬取締已經領有交通部執照不能呈閱查驗之輪船

辦法究應如何辦理請轉商交通部令示遵行等情當經由部轉咨交通部查核見復去後茲准交通部咨稱查海商法規定二十噸以上之船舶依船舶法及船舶登記法應由主管航政官署登記後發給船舶國籍證書其在已經登記而尚未領到國籍證書之船舶得以登記證明書暫行代用報關業經本部檢同國籍證書及登記證明書式樣於本年九月五日咨送貴部查核轉飭各關知照在案至二十噸以下不適用登記法之小輪既無請領國籍證書之規定自應仍按向章請領本部輪船執照報關如不能呈驗部照或以前已經領有船牌者自可照該稅務司所擬第三項辦法辦理等因查交通部前送國籍證書式樣及登記證明書式樣業經令行該總稅務司在案茲准前因合亟令仰該總稅務司知照此令

財政部關務署訓令政字第六三六五號 中華民國二十年十月九日

#### 令總稅務司梅樂和

爲令行事前據該總稅務司署第二五一七號呈以航海民船所領舊常關發給執照等件應否暫認有效請核示等情當經由部咨請交通部核復在案茲准交通部咨開查海商法及船舶法規定凡容量二百擔以上之民船應依法登記請領國籍證書總稅務司原呈所稱之航海貿易民船如果容量在二百擔以上自應改領國籍證書唯各地航政局成立未久船舶未經依法登記者尙多前項民船在二十年十二月月底以前執有舊常關發給之民船執照及往來掛號簿者自可准予照常有效自二十一年一月起即須一律改領船舶國籍證書否則不准行駛

准咨前因除令行航政局外相應咨復查照希即轉飭總稅務司通行各關布告知照等因准此合亟令仰該總稅務司知照此令

財政部關務署訓令政字第六三六六號 中華民國二十年十月九日

令總稅務司梅樂和

爲令行事奉

部長發下交通部咨一件內開查船舶於登記後未經領到國籍證書以前得暫以登記證明書代用報關前經本部通令各航政局布告航商遵照一面已檢同國籍證書暨登記證明書式樣咨請貴部轉飭各關知照在案查此項規定原爲甫經登記之船舶一時未能領得本部國籍證書之臨時救濟辦法若船舶國籍證書既經由部發給自應仍以國籍證書報關以符法令誠恐各地航商不明此意亟應規定限制俾杜流弊嗣後凡以船舶登記證明書代替船舶國籍證明報關者應自該登記證明書填發之日起兩個月以內爲有效期間逾期不准代用除分令各航政局再行布告航商遵照外相應咨請查照希再轉飭各關知照等因准此查前准交通部咨送國籍證書式樣等件業經令行在案茲准前因除由部分令各關監督外合亟令仰該總稅務司知照此令

財政部關務署訓令政字第六四八五號 中華民國二十年十月二十六日

令總稅務司梅樂和

爲令行事案奉

部長發下交通部第八三九號咨一件內稱查海商法船舶登記法業經公布施行嗣後凡已經設有航政局之管

轄區域內所有總噸數二十噸以上之船舶應即前赴該管航政局依法登記轉請發給船舶國籍證書毋庸請領本部輪船執照其以前已經領有部照者亦應儘於本年內赴局聲請登記換領國籍證書自二十一年一月起凡總噸數二十噸以上之船舶如未領有國籍證書者經過各口海關一律不予結關除通令各航政局布告航商遵照外相應咨請貴部希即轉令各關一體照辦等因准此當經由部以此項辦法帆船是否一律適用且兩廣未設航政局如由兩廣所來船舶應照何項辦法處理等語咨請交通部核復去後茲准交通部第九〇五號咨開查前准貴部咨據總稅務司呈以航海貿易之民船並無由交通部發給任何單照此項民船執有舊常關發給之民船執照及往來掛號簿等於報關行駛時可否暫行認為有效一面規定相當期限令其一律請領船舶國籍證書咨請查核見復等因本部當以海商法及船舶法規定凡容量二百擔以上之船舶應依法登記請領國籍證書惟各地航政局成立未久前項民船在二十年十二月底以前執有舊常關發給之民船執照及往來掛號簿者自可准予照常有效自二十一年一月起即須一律改領船舶國籍證書否則不准行駛業於本年十月六日咨復轉飭在案至兩廣福建等處航政局前以事實上發生障礙暫緩成立現擬從速設局辦理以歸一律准咨前因相應咨復查照並希轉行知照等因查前准交通部咨復航海民船容量在二百擔以上應自二十一年一月起改領船舶國籍證書一案業經本署第六三六五號訓令飭行該總稅務司知照在案茲准前因合亟令仰該總稅務司知照此令

## CIRCULAR No. 4351 (SECOND SERIES).

**Foreign rolled tobacco: full gold unit Import Tariff duty to be collected from 1st November 1931 by all ports; instructions regarding procedure and accounts treatment.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 13th November 1931.

SIR,

1.—With reference to Circular No. 4170:\*

Rolled tobacco: four-fifths of import duty on, to be collected by the Consolidated Tax Bureau from 1st February 1931; instructions:

to Circular No. 4180:

Consolidated Tax Bureau: inauguration of, notifying; rules regarding procedure to be adopted by Customs, circulating:

to Circular No. 4224:

Consolidated tax on cotton yarn, cement, matches, rolled tobacco, and wheat flour: collection of, to be entrusted to Customs from 16th May 1931 on all such goods from abroad or from provinces where consolidated tax is not in force; instructions *re* procedure to be adopted by Customs:

to Circular No. 4269:

Consolidated tax on foreign rolled tobacco: from 1st November 1931 to be collected in gold at four-fifths of Import Tariff rates; special credit system in force at certain ports to be discontinued from same date; instructions:

to my telegram of 20th October 1931:

Instructing that from 1st November 1931 full gold unit Import Tariff duty was to be collected on foreign cigarettes and cigars by Customs at all ports; that the procedure laid down in Circulars Nos. 4170, 4180, and 4224 governing collection by Consolidated Tax Bureau of consolidated tax on imported rolled tobacco would no longer apply; and that the import duty collected on rolled tobacco should be classified according to Circular No. 4170, *pro forma* No. 2, etc.:

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\* *Antea*, vol. iv, p. 361.

and to my telegram of 28th October 1931 to the ports from Chinwangtao to Amoy (Chungking and Wanh sien not included):

My telegram of 20th October: regarding collection of full duty on rolled tobacco: yellow Application in duplicate with same wording as Customs Import Application still required and to be dealt with according to procedure of Circular No. 4224, Enclosure 2, Section II, 1, 2, and 3:

I now circulate, for your information and guidance, copy of Kuan-wu Shu despatches Nos. 6390 and 6506, from which you will see that from 1st November 1931 (1) the Customs at all ports in China are to collect full gold unit Import Tariff duty on imported rolled tobacco, (2) that the Customs at the ports in the Three North-eastern Provinces are to continue to report by telegram the monthly collection of the four-fifths duty, (3) that the four-fifths duty collected by the Customs at the ports in the Consolidated Tax Area is to be handed over to the Consolidated Tax Administration, (4) that a monthly return of the four-fifths collection handed over to the Consolidated Tax Administration is to be submitted to the Shu, (5) that the full duty on foreign rolled tobacco is to be treated as a part of Customs revenue, and (6) that the four-fifths duty to be handed over to the Consolidated Tax Administration from the Inspectorate Revenue Account as a special appropriation is to be based on the gross collection and not on the actual remittance outturn.

2.—In giving effect to the above I have to request you to act according to the following instructions:—

- (1) From 1st November 1931 the Customs at all ports are to collect the full gold unit Import Tariff duty on imported rolled tobacco according to current market values. The registered values of certain brands of cigarettes and cigars as notified to the ports from time to time since the issue of Circular No. 4224 are no longer acceptable by the Customs in assessing the duty-paying value of rolled tobacco. The special credit system of paying Customs duty on rolled tobacco at present in force at certain ports is to be discontinued from the same date.
- (2) One-half of one-fifth of the duty is to be credited to Foreign Revenue Account and the remainder—*i.e.*, one-half of one-fifth plus four-fifths—to Additional Duty and Surtax Account.



- (3) A monthly statement as per the appended *pro forma*,\* [B.—9], is to be forwarded by all ports as an appendix to the [B.—8] report. This statement is to take the place of the return called for in Circular No. 4170. *Nil* statements are required from ports having no collection of duty on rolled tobacco.
- (4) In addition to the above monthly statements the Customs at the ports in the Three North-eastern Provinces are to continue to send at the beginning of each month telegraphic reports of their preceding month's collection of the four-fifths duty as called for by my telegram of 10th April 1931.
- (5) The procedure and rules laid down in previous Circulars governing the collection, remittance, etc., of consolidated tax on foreign cotton yarn, matches, cement, and wheat flour imported from abroad, and on native cotton yarn, matches, cement, rolled tobacco, and direct products of cotton yarn coming from ports where the consolidated tax is not in force, remain unchanged. It is, however, to be noted that a *nil* report is required from ports in the Consolidated Tax Area having no collection of consolidated tax on the above articles.
- (6) The ports which are for the present and until further instructions regarded as being situated in the Consolidated Tax Area are as follows:  
Chinwangtao, Tientsin, Lungkow, Chefoo, Weihaiwei, Kiaochow, Ichang, Shasi, Changsha, Yochow, Hankow, Kiukiang, Wuhu, Nanking, Chinkiang, Shanghai, Soochow, Hangchow, Ningpo, Wenchow, Santuao, Foochow, and Amoy.
- (7) At ports in the Consolidated Tax Area where a Consolidated Tax Bureau is in existence the following procedure is to be adopted in dealing with applications to import rolled tobacco from abroad:
  - (a) In addition to the usual Customs Import Application, the applicant is to hand in at the same time a yellow Application—in duplicate—bearing the same wording and containing the same detailed particulars as are shown in the Customs Application.

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\* Not printed.

- (b) After Customs import duty has been assessed and calculated the Customs will enter the amount of duty on the yellow Application, which will be initialled by the Customs to certify that all particulars are correct.
- (c) The yellow Application will be returned to the applicant together with the Customs Duty Memo., and the Customs will retain the duplicate and hand it to the Consolidated Tax Bureau on the next working day.
- (d) The applicant, having paid the duty, shall produce the Customs Duty Receipt together with the yellow Application to the Consolidated Tax Bureau in exchange for stamps, which will be issued by the Bureau gratis.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部關務署指令則字第六三九〇號 中華民國二十年十月十四日

令總稅務司梅樂和

呈一件據大連關呈關東廳函詢對於進口捲菸徵收全稅理由等情擬請將關稅統稅劃分徵收辦

法迅予取銷由

呈悉查進口捲菸凡持有統稅署已收五分之四稅項憑證者海關始將五分之四進口稅免予徵收該項辦法截至本年十月底即屆試辦期滿以後所有進口捲菸全國各口統由海關按照進口稅則徵收除東三省各口所徵稅款數目仍照原案呈報外其在統稅區域以內各口所徵稅款五分之四應交統稅署一面按月列具專表呈署備查仰即遵照辦理此令

財政部關務署指令則字第六五〇六號 中華民國二十年十月二十八日

令總稅務司梅樂和

呈一件在統稅區域內各口所徵進口捲菸稅款五分之四應如何劃撥列帳辦法請鑒核令遵由

呈悉查本年十月底以後所有進口捲菸既由海關按照進口稅則徵收對於所徵稅款全部自應以關稅論其應交統稅署五分之四稅款准如所擬歸帳提撥辦法辦理毋庸令其擔負匯兌等費仰即遵照此令

## CIRCULAR No. 4360 (SECOND SERIES).

## Revenue surtax for flood relief, 1931, authorised; instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 30th November 1931.

SIR,

1.—With reference to my circular telegram of 27th November 1931:

“ Government instructs Customs collect flood relief surtax on import, export, and interport duties and interport surtax for following periods and at following rates: from 1st December 1931 to 31st July 1932, 10 per cent of Customs duty; from 1st August to date of liquidation of American Wheat Loan, 5 per cent of Customs duty. Following imports to be exempt from surtax: Import Tariff Nos. 1 to 9, 12, 14 to 16, 21 to 23, 25 to 31, 37, 39, 41, 43, 44, 46, 51, 59 to 61, 64, 249 (a) and (b), 250, 252, 255, 256, 262, 265 to 267, and 305 (a). Surtax collectable on goods applied for on and after 1st December 1931. No extension allowed for bonded goods: goods for which applications to withdraw from bond for import are made on and after December 1st will be liable to surtax. No drawbacks for flood relief surtax will be issuable. Keep separate Gold Unit and Haikwan Tael Collection Accounts. Issue joint notification with Superintendent ”:

to my telegram of 29th November 1931:

“ My telegram of 27th November: Government now instructs no flood relief surtax to be collected on interport duty and interport surtax. Issue notification ”:

and to my telegram of 7th December 1931:

“ My telegram of 27th November: add Tariff Nos. 11 and 36 to list of articles exempt from surtax ”:

I now append, for your information and guidance and for purposes of record, copy of Ts'ai-chêng Pu telegram of 26th November, of Kuan-wu Shu telegram of 28th November, and of Kuan-wu Shu despatches Nos. 6704 and 6743, from which you will see that the

Government have authorised the collection of a flood relief surtax on import and export duties for the following periods and at the following rates:—

- (1) From 1st December 1931 to 31st July 1932, surtax is to be collected at the rate of 10 per cent of the Customs duty;
- (2) From 1st August 1932 to the date of the complete liquidation of the American Wheat Loan, surtax is to be collected at the rate of 5 per cent of the Customs duty.\*

2.—The following items in the Import Tariff are to be exempt from the payment of surtax: Tariff Nos. 1 to 9, 11, 12, 14 to 16, 21 to 23, 25 to 31, 36, 37, 39, 41, 43, 44, 46, 51, 59 to 61, 64, 249 (a) and (b), 250, 252, 255, 256, 262, 265 to 267, and 305 (a).†

3.—Flood relief surtax at the rate of 10 per cent is to be collected on goods *applied for* between (and including) the dates 1st December 1931 and 31st July 1932, and at the rate of 5 per cent on goods *applied for* on and after 1st August 1932 and until further instructions.

4.—No extension of time is to be allowed for goods bonded prior to the imposition of the surtax: goods for which applications to withdraw from bond for import are made on and after 1st December 1931 will be liable to surtax.

5.—No drawbacks for flood relief surtax are to be issued.

6.—The collection of this flood relief surtax is to be considered as forming part of the Customs collection and is to appear in the Revenue Returns under the separate heading of "Flood Relief Surtax." The monthly collection is accordingly to be recorded on a separate [B.—8] report on which the heading "Foreign Revenue Account" is replaced by "Flood Relief Surtax," and the figures representing this surtax collected on import duty and export duty entered separately, with the gold unit figures duly shown in the case of the import duty. The collection and disposal of this surtax are

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\* The reduction of the Famine (or Flood) Relief Surtax from 10 to 5 per cent duty took place on the 31st July 1932, but on the 1st August that year this reduction was converted into the levy known as the Revenue Surtax of 5 per cent on import and export duties (*vide* I.G. Cir. No. 4461, *postea*, vol. v). This Revenue Surtax has been continued by yearly extensions up to the present (1939) (*vide* I.G. Cir. Nos. 4677, 4696, 4885, 5106, 5299, 5503, and 5681).

† Many of these items cover articles entitled to the special duty treatment specified in Annex I of the Sino-Japanese Tariff Agreement of 1930 (*vide* I.G. Cir. No. 4089). As the three-year period of that Agreement expired on the 15th May 1933, both Famine Relief and Revenue Surtaxes became leviable after that date on all import duties (*vide* I.G. Cir. No. 4638, *postea*, vol. v).

also to be reported monthly on a separate [B.—6] form in accordance with the procedure laid down in Circular No. 3543. Two new accounts—

- (1) I.G. of Customs Flood Relief Surtax Gold Unit Account; and
- (2) I.G. of Customs Flood Relief Surtax Shanghai Tael Account:

have been opened with the Central Bank of China, Shanghai, for the receipt of remittances. In this connexion, seeing that the surtax is being imposed for charitable purposes over a limited period, I have to request you to endeavour, in accordance with precedent, to arrange with your revenue-collecting banks for the waiving of any collection charges.

7.—The total Haikwan tael figure of this surtax actually collected either in gold units or in silver during the month of December 1931 is to be reported at the end of your annual revenue telegram for this year, prefaced by the code word "Flood." It will be observed that separate figures for the gold unit and Haikwan tael collections are not required to be reported in this telegram, but this further information should be supplied promptly by post in the covering [B.—8] report.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部電第九七一號 中華民國二十年十一月二十六日

梅總稅務司鑒查救災附加稅定於本年十二月一日起開徵茲將辦法列示如下（一）凡按海關進出口稅則徵收之進出口稅及轉口稅均應徵收救災附加稅（二）其稅率自開徵日起至二十一年七月底止按照關稅稅率徵收百分之十又自二十一年八月一日起按照關稅稅率徵收百分之五至美麥價款本息償清之日爲止（三）現行海關進口稅則內所載下列各項免徵救災附加稅一至九、十二、十四至十六、二十一至二十三、二十五至三十一、三十七、三十九、四十一、四十三、四十四、四十六、五十一、五十九至六十一、六十四、二百四十九（甲）及（乙）、二百五十、二百五十二、二百五十五、二百五十六、二百六十二、二百六十五至二百六十七、三百〇五（甲）仰即遵照並轉飭各關屆期十二月一日一體開徵再對於土貨徵收之附加稅概不退稅仰即遵照辦理部長宋宥印

關務署電第九七五號 中華民國二十年十一月二十八日

梅總稅務司覽查宥日部電列示開徵救災附加稅辦法係因施行期迫亟應預爲通知茲該項附加稅章程已由立法院通過惟對轉口貨物之附加稅議決免予徵收合行電令知照仰即轉飭各關屆期對於轉

口貨物毋庸徵收救災附加稅所有徵收附加稅章程一俟奉發到署卽行發寄署長張儉印

財政部關務署訓令則字第六七〇四號 中華民國二十年十一月三十日

令總稅務司梅樂和

爲令行事查救災附加稅徵收條例已由

國民政府明令公佈除由部分行各關監督遵照外合行照錄條例令仰該總稅務司遵照辦理爲要此令

附救災附加稅徵收條例

國民政府救災附加稅徵收條例

第一條 凡按海關進出口稅則徵收之進出口稅除第三條指定各項外均應徵收救災附加稅

第二條 救災附加稅稅率自民國二十年十二月一日起至二十一年七月底止按照關稅稅率徵收百分之十

專爲救災賑款之用自二十一年八月一日起按照關稅稅率徵收百分之五專爲償還美麥價款本息之用

至償清之日爲止



第三條 民國十九年十二月二十九日國民政府頒布之海關進口稅則內所載各貨其列入左列各款者免徵救災附加稅

一至九 十二 十四至十六 二十一至二十三 二十五至三十一 三十七 三十九 四十一  
四十三 四十四 四十六 五十一 五十九至六十一 六十四 二百四十九(甲)及(乙) 二百  
五十 二百五十二 二百五十五 二百五十六 二百六十二 二百六十五至二百六十七 三百

○五(甲)

第四條 救災附加稅全部收入由國民政府救濟水災委員會支配用途

第五條 本條例自公佈日施行

財政部關務署訓令則字第六七四三號 中華民國二十年十二月三日

令總稅務司梅樂和

爲令行事查救災附加稅徵收條例內第三條所列免徵附加稅各款係以中日關稅協定附表爲依據所有該附表內號列之「四六」在一九二九年海關進口稅則中爲「未列名本色、漂白、染色、染紗織、棉布」係包括現行進口稅則號列第「一一」、「三六」、「四四」等三項是現行進口稅則內之「一一」、「三六」、「兩項均應與」四四、「一項一律辦理免徵救災附加稅合行令仰轉飭各關遵照爲要此令

## CIRCULAR No. 4362 (SECOND SERIES).

**Customs Medal for Meritorious Service: institution of,  
and regulations for; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 2nd December 1931.

SIR,

1.—For some time past I have realised that the Service ought to have a tangible means not only of recognising the long and faithful service of men who have spent the greater part of their lifetime in its employ, but also of indicating appreciation of outstanding merit displayed in the performance of special work or of acts of heroism in the execution of duty. While letters or despatches of thanks and of commendation may be valued, they have not the same appeal as more tangible marks of appreciation, and special promotions in many cases are not appropriate.

2.—I therefore advised the Kuan-wu Shu that it is desirable to institute a Customs Medal as a recognition for meritorious service, etc., and, as you will observe from the enclosed correspondence, the Government have approved of this proposal. Messrs. Waterlow and Company, of London, with the assistance of the Inspectorate, have succeeded in elaborating an artistic and suitable design, which is shown in the attached illustration.

3.—It should be understood that this medal is solely in the gift of the Chinese Government and carries with it recognition of meritorious service. It is intended only for those who are serving in the Customs Administration of China and will be granted by the Ministry of Finance on the formal application of the Kuan-wu Shu; the regulations governing its bestowal, as approved by the Government, are appended; and the attention of Commissioners is specially drawn to Article No. 5, requiring them to forward to the Inspectorate at the end of the year the list concerned.

4.—It is believed that the institution of this medal will encourage the Staff and promote the *esprit de corps* of the Service; and each Commissioner ought to arrange that when the medals are awarded to members of the local establishment the presentations should be made officially and ceremoniously by the Superintendent in the presence of the entire staff.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE No. 1.

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REGULATIONS FOR CHINESE CUSTOMS MEDAL FOR  
MERITORIOUS SERVICE.

1.—The Customs Medal for Meritorious Service shall be conferred in accordance with these regulations on members of the Chinese Customs Service who have deserved recognition for long and meritorious service or in cases of exceptional merit.

2.—The medal shall be in three grades:—

- (1) Gold Medal.
- (2) Silver Medal.
- (3) Bronze Medal.

3.—The medals shall be conferred by the Ministry of Finance on the Inspector General's formal application, which shall be submitted in accordance with these regulations through the Kuan-wu Shu.

4.—The minimum qualifying period shall be 25 years of continuous and meritorious service; but in cases of exceptional circumstances or of services deserving special recognition the Inspector General may make application for the conferment of the medal whether the full period of 25 years has been served or not.

5.—At the close of each year Commissioners in charge of ports, and all heads of departments, shall forward to the Inspectorate a list of those whose names do not appear in the "Service List" and who have served the qualifying period of 25 continuous years, giving against each nominee a record of his conduct and work during those years.

6.—A list of those whose names appear in the "Service List" who have served the qualifying period of 25 continuous years shall be drawn up, with appropriate remarks, at the close of each year by the Staff Secretary and submitted along with the above-mentioned port lists to the Inspector General.

7.—Members of the Service whose names appear in the "Service List" shall be eligible for the Gold or the Silver Medal according to services rendered or merit shown, while members of the Service whose names do not appear in the "Service List" shall in the first instance be eligible for the Bronze Medal.

8.—In special cases of unusual merit it shall be in the power of the Inspector General to submit to the Kuan-wu Shu the name of a holder of the medal of the third or the second grade who is still in the Service as worthy of receiving a higher grade.

9.—The names of all recipients of the medal shall be published in the Customs Gazette and the reason given against each for the conferring of the honour.

10.—These regulations shall come into force from the date of their promulgation.

## ENCLOSURE No. 2.

總稅務司呈 關務署文第八八九號 中華民國十九年二月二十八日

呈爲呈請事竊據 職署機要科稅務司魏爾特節略內稱竊以各政府機關對於所屬職員任職長久勤勞卓著者率多頒給獎章以昭激勸獨海關今尙無此規定不揣冒昧謹提議籌訂頒給海關獎章辦法並擬具章程草案伏乞轉呈核准施行等情據此查該稅務司提議各節係爲獎勵勞動並增進海關辦事效能起見尙屬可行所擬章程草案大致亦尙周妥事關國家榮典應否准如所擬辦理之處出自

鈞裁據呈前情理合照譯原具節略及章程草案備文呈請  
鑒核施行謹呈

財政部關務署長張

附譯呈節略一件章程草案一件

照譯機要科稅務司魏爾特提議制定海關獎章頒給任職長久勤勞卓著各員之節略

竊以各政府機關對於所屬職員任職長久勤勞卓著者率多頒給獎章以昭激勸獨海關今尙無此規定不揣冒昧謹向

鈞座提議籌訂頒給海關獎章辦法伏乞迅予轉呈

關務署長核准施行查此項獎章應用

中國政府名義頒給係專爲獎勵任職長久及勤勞卓著之各關員而設故除具有以上兩項資格者外不

應將此獎章頒給任何人員惟因是項獎章既專備頒發各關關員用彰勞動是領受獎章者必須由

關務署特案保獎以示限制卽凡屬海關職員如有頒給此項獎章之資格應由

總稅務司按年開列名單呈請

關務署專案保獎方可頒發竊思此項獎勵制度如能見諸實行將來各關員之團結精神必因此而益形鞏固俾辦事勤勞各員更能歡欣鼓舞奮勉有加查海關現行章程對於勞績卓著人員雖訂有特別升級辦法惟此外如無一種榮典以資輔行則所有任職長久勤勞卓著或有特殊功績各員在關之事蹟將無從爲之表彰且特別升級有時並不相宜亦常足引起他人缺望是制定頒給獎章辦法誠屬目前要圖爲此特就管見所及備具節略並擬訂頒給海關獎章章程草案九條陳請

鑒核採擇施行

總稅務司呈 關務署文第一八七二號 中華民國二十年三月十一日

呈爲呈請事案查 職署機要科稅務司魏爾特提議籌訂頒給海關職員獎章辦法並備具節略及所擬章程草案乞轉呈核准施行一事曾於十九年二月二十八日備具第八八九號呈文以該稅務司提議各節係爲獎勵勞動增進海關辦事效能起見尙屬可行所擬章程草案大致亦尙周妥等語並照譯原具節略及章程草案呈請鑒核在案惟迄今尙未奉到

指令竊以此舉係屬國家酬庸之典於鼓勵關員極有關係用特再行備文呈請迅賜核示以便遵行謹呈  
財政部關務署長張

財政部關務署指令政字第四六九五號 中華民國二十年三月二十日

令總稅務司梅樂和

呈二件據機要科稅務司擬具頒給獎章辦法及章程草案乞鑒核示遵由

呈及附件均悉查國民政府對於所屬各機關職員尙無頒給獎章之規定如爲鼓勵任職長久卓著勞績關員起見酌給獎章以昭激勵原無不可惟細核所擬章程草案規定此項獎章由關務署用中國政府名義頒給及一等獎章頒給關務署長各節殊欠妥洽應改爲呈由關務署核請財政部頒給並將一等獎章頒給關務署長一層刪去仰卽遵照修改另擬草案並繪具各等獎章式樣呈候核辦此令

總稅務司呈 關務署文第二五五二號 中華民國二十年十月六日

呈爲呈請事案查關於擬訂海關獎章章程草案一事前經呈奉

鈞署政字第四六九五號指令飭將該草案另行擬訂並將原擬獎章圖樣照式繪呈等因遵將該草案另行妥擬惟原擬獎章圖樣已寄往英國備製印模無從照式繪呈當將獎章式樣詳細說明檢同另擬該草案備具第二〇

一六號文呈請

鑒核在案茲查此項獎章業已製就惟前呈另擬草案是否可行迄今未奉

令示礙難實施除將各種獎章圖樣另紙繪呈外理合備文呈請

鑒核指令祇遵謹呈

財政部關務署長張

附獎章圖樣二紙

財政部關務署指令政字第六五八六號中華民國二十年十一月十日

令總稅務司梅樂和

呈二件擬具海關獎章章程草案並附送獎章圖樣乞鑒核令遵由

呈件均悉所擬草案業經本署詳加修改定為頒給海關獎章章程呈奉

財政部指令准予備案合行抄示該章程令仰遵照此令圖樣存

附發頒給海關獎章章程一份

頒給海關獎章章程

第一條 凡在中國海關服務之華洋人員任職長久卓著勤勞或有特殊功績者依照本章程規定給與海關獎章

第二條 海關獎章分為左列三種

一金資獎章

二銀質獎章

三銅質獎章



第三條 各種獎章由總稅務司按照本章程之規定呈經關務署核請

財政部頒給

第四條 各種獎章限於在關服務連續二十五年以上並勤勞卓著者方可頒給但著有特殊功績者不論其服務年限是否滿足二十五年總稅務司得特別呈請頒給獎章以示鼓勵

第五條 凡未列入海關職員錄之人員服務已滿二十五年者應由各關稅務司及各科領袖於每屆年終開列名單將各員服務期內之勞績及品行等加具考語呈報總稅務司署酌核請獎

第六條 凡名列海關職員錄之人員服務已滿二十五年者應由銓敘科稅務司於每屆年終開列名單加具考語連同前條所開各關及各科呈送之名單一併呈請總稅務司酌核請獎

第七條 凡名列海關職員錄之人員頒給獎章時應查核該員所任職務及所著勞績情形分別頒給金質或銀質獎章凡未列入海關職員錄之人員第一次頒給獎章時應給銅質獎章

第八條 凡已受銀質或銅質獎章之關員在關繼續服務若有優良成績或特殊功績者得由總稅務司呈請晉給高一等之獎章

第九條 凡關員於頒給獎章後應於海關升調月報內刊列該員銜名並敘明其案由

第十條 本章程自頒布之日施行

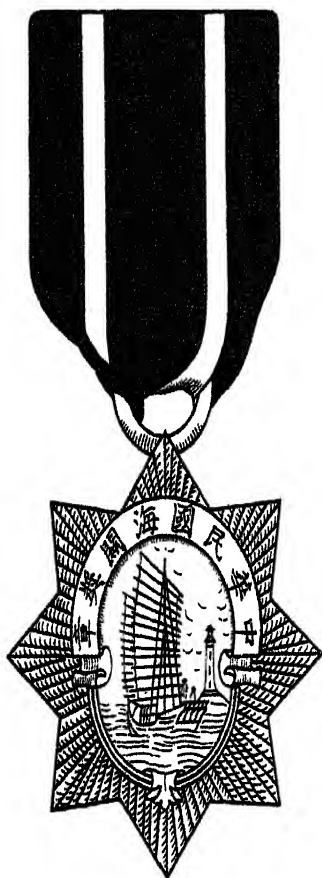




ENCLOSURE No. 3.

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CUSTOMS MEDAL FOR MERITORIOUS SERVICE.





CIRCULAR No. 4368 (SECOND SERIES).

**Monthly Bulletin on Foreign Trade, etc.: information required for compilation of; instructions *in re*, conveying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 12th December 1931.

SIR,

With reference to Circular No. 4133:\*

Conveying instructions amending existing methods of compiling and issuing Quarterly, Annual, and Decennial Reports and Returns of Trade:

and to Circular No. 4244:†

Notifying a revised system of rendering and publishing Returns of Trade and the establishment of the Central Returns Office:

I have to append, for your information and guidance, copy of correspondence which has passed between the Kuan-wu Shu and myself, from which you will observe that the Government are desirous of compiling a Monthly Bulletin on Foreign Trade, and, in order that the source of information may be continuous and comprehensive, a table of subjects has been drawn up on which it is requested that port Commissioners will supply specific reports.

You will note that the table is divided into two sections, "A" and "B," details of which are set forth below, and that the Government require that reports on subjects under "A" should be submitted monthly, while those comprised under heading "B," which it would be difficult to supply at short intervals, should be forwarded periodically at your discretion.

A. SUBJECTS FOR MONTHLY REPORTS.

1.—Conditions of trade in foreign imports, including details regarding the more important imports, the rise or fall in commodities from the various countries, and the range of trade compared with the previous months or the corresponding month of the previous year, etc.

\* *Antea*, vol. iv, p. 308.

† *Antea*, vol. iv, p. 494.

2.—Conditions of the export trade of Chinese produce with abroad, including details regarding the more important articles, the exports to the various countries, and the rise or fall in trade compared with the previous months or the corresponding month of the previous year, etc.

3.—Conditions of domestic trade, including the rise or fall in trade as compared with previous months or the corresponding month of the previous year and the causes for increases or decreases, etc.

4.—The local wholesale market value for the main commercial commodities.

#### B. SUBJECTS FOR PERIODIC REPORTS.

1.—Condition of the local market, including conditions affecting the market, and social and economic conditions, such as abnormal weather, rainfall, unusual calamities, administrative, legal, and military affairs, public safety, finance, local currencies, communications, transport, taxation, etc.

2.—Conditions of agriculture, mining, forestry, fishery, and important industries.

3.—Details of competition between foreign and native goods (cases of improper competition from foreign goods or where they are disturbing the market should be reported in detail).

4.—New articles of commerce imported or exported.

5.—The effect of various countries' tariffs on China's exports.

6.—The effect of China's import and export duties on articles of commerce imported and exported.

7.—Suggestion for reviving or promoting trade.

At the present time ports do not compile even quarterly statistics of the Foreign Trade of China by Countries, and it is possible that some initial difficulty may be experienced in furnishing all of the information requested. While it is not proposed, in future, to publish separate monthly statistics for each port, the Statistical Secretary is endeavouring to make arrangements whereby the monthly figure will be placed at your disposal as soon as possible after the Monthly Returns are completed, and these figures may, should local demand warrant it, be divulged to the Press. Until such arrangements can be made, however, it will be necessary for

Commissioners to take whatever steps they may consider best to furnish the information required by the Government and outlined above, and you are requested to ensure that the Government's instructions are carried out to the best of your ability. In this connexion you are further requested to note that the contents of your reports will be treated as confidential and are not for publication, and that impartial and unprejudiced narration of political events which have direct or indirect bearing on trade will not be out of order. What is required is a correct monthly story of the trade of each port, with notices of local events, political or military, which have a bearing thereon.

The reports, which are to be prepared in Chinese, are to be submitted in duplicate, together with an English version, also in duplicate, beginning with that for the month of January 1932. One copy of the English version is to be sent to the Statistical Secretary direct.

While the instructions of Circular No. 4133 regarding the preparation and forwarding of the Quarterly Memorandum of Trade for the December quarter of each year in place of the Annual Trade Report remain unchanged, it will be unnecessary in future for Commissioners to supply memoranda of trade for the other three quarters of the year.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE.

財政部關務署訓令則字第六一五〇號中華民國二十年九月十二日

令總稅務司梅樂和

爲令行事案准國定稅則委員會函開本會茲擬編輯中外貿易月刊爲力求消息靈通記載翔實起見開附報告項目清單請令行各關稅務司查照單開項目分別調查按月呈報交會酌編發表定於月刊進行多所裨益等因准此除函復外合將原函及附單抄發仰卽轉飭辦理並將報告彙送本署以便交會爲要此令

附抄件二

抄原函

逕啓者查國際貿易關係一國財政之盈虛實業之消長先進列邦無不極端注意而我國今日尤成重要問題本會職責所在向於此項事宜隨時研究茲擬分門別類按月編輯出版定名爲中外貿易月刊以爲研究國際貿易者之參考所有一切材料業由本會着手籌備茲查各地海關散布全國對於當地耳目接近情形熟悉爲力求月刊消息靈通記載翔實起見另開報告項目清單擬請

令行總稅務司轉飭各關稅務司查照清單所開項目就當地實在情形分別調查按月呈報交會斟酌彙編發表定於月刊進行多所裨益再所開報告項目計分甲乙兩類甲類係屬各關日常事務故定爲按月定期報告至乙類有爲另需調查之事有爲非定期發生之事如責以按月調查自多困難惟該類事項關

係重要各地海關握國際貿易之樞紐一切消息比較靈通故定爲隨時報告其報告次數之多寡可由各關自行斟酌是否有當相應函請

貴署查核施行可也此致

關務署

中外貿易月刊報告項目

甲、按月定期報告項目

一、本關洋貨進口之貿易狀況（包括主要進口貨之貿易情形進口貨分國之消長情形比較前數月或前年同月貿易盛衰消長如何及其原因等）

二、本關土貨出洋之貿易狀況（包括主要出口貨之貿易情形出口貨分國之貿易情形比較前數月或前年同月貿易盛衰消長如何及其原因等）

三、本關與國內其他各地貿易狀況（包括本關與國內其他各地貿易之盛衰消長與前數月或前年同月貿易之比較及其增減之原因等）

四、本口岸主要商品躉售市價（其品目及報告方法另定之）

乙、隨時報告項目

一、本口岸市況（凡足以影響市況及貿易之自然情形及社會經濟情形如氣候雨量災害政治法令軍事治安金融貨幣交通運輸捐稅等均在內）

二、農產礦產林產漁業及主要工業之情形

三、洋貨與國貨競爭之狀況（遇有外貨不正當之競爭或傾銷情形應詳細報告）

四、進口出口之新商品

五、各國關稅對於我國出口商品之影響

六、我國進出口關稅對於進出口商品之影響

七、關於振興及改進貿易之意見

總稅務司呈 關務署文第二五七八號 中華民國二十年十月十六日

呈爲呈請事竊奉

鈞署則字第六一五〇號訓令內開照錄原文等因附抄件奉此本應遵照辦理惟查此項月報按照國定稅則委員會所需調查項目重在評論非僅限於各項貨物貿易之數目而海關方面遠徵已往事實近查各口情形實有礙難遵辦之處敢請爲

鈞座陳之海關對於按季發行貿易報告問題數年前曾經詳加研究議決籌辦嗣以各關所送報告每多彼此矛盾必須一一修改重行編製始可發刊遂作罷論緣海關所發表之材料祇能根據數目倘以近於揣測之詞逕行

登載殊不足以昭翔實況近來商業狀況益臻繁複政治情形復多變幻各地確實消息尤難採訪加之海關統計編製方法現亦變更按月發刊之統計月報純由職署統計科在滬彙集編製各關不復與聞是各口採得之消息更無法可與各該關貿易數目互相印證縱使有所報告亦不足取至根據數目之各項事實職署現所刊行之統計月報中均可採取似毋庸另行編送以免多所困難是否有當理合備文呈請

鑒核俯念各關困難情形將該項調查報告免予呈送實爲公便謹呈

財政部關務署長張

財政部關務署指令則字第六四四五號 中華民國二十年十月二十一日

令總稅務司梅樂和

呈一件呈復中外貿易月刊調查報告海關碍難遵辦情形請鑒核由

呈悉查前令按照單開項目飭關調查報告一事係爲研究國際貿易起見決須照案辦理其所以飭關查報者係因海關散處各地對於該項材料之採訪考證均較便利而已將來各關所送報告仍須由會審核核後再行編訂發表海關自可不負責任至報告事項重在事實上之考證材料而該署所刊統計月報僅載貿易數字自屬無從採取仰仍遵照前令迅飭各關查照辦理並具報爲要此令

## CIRCULAR No. 4371 (SECOND SERIES).

**Junks: regulations for the control of sea-going junks:  
enforcement of; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 19th December 1931.

SIR,

With the inauguration of the Preventive Department, it immediately became apparent that one of the first steps to be taken to check smuggling was to acquire closer supervision over sea-going junks, and especially to be able to distinguish a junk trading abroad from one engaged in domestic trade. Later, when the Government abolished likin and the Native Customs establishments and ruled that duties were to be levied only on junk-borne cargo to and from foreign ports, it became of paramount importance to be able to supervise to a certain extent the movements of all sea-going junks. With this object in view I submitted to the Kuan-wu Shu a set of regulations for the control of such vessels, which, as you will observe from the appended copy of Kuan-wu Shu despatch No. 6686, have been approved by the Government.

These regulations were promulgated on the 30th November 1931.\* You will note that they are applicable only to junks having a capacity of 200 or more piculs, except in the special circumstances defined in Article 12.

In applying these regulations—a translation of which is appended for your convenience—you are to be guided by the following instructions:—

1. (1) Sea-going junks having a capacity of 200 piculs and over are to be provided with—
  - (a) Certificate of Nationality (國籍證書), issued by the Ministry of Communications.
  - (b) Certificate of Route (航線證書), issued by the Navigation Bureau.

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\* These regulations subsequently underwent various modifications (*vide* I.G. Cirs. Nos. 4969 (*postea*, vol. v), 5131, 5161, and 5343, and "Code of Customs Regulations and Procedure" (3rd Edition), pp. 133-138).

- (c) Junk Licence (民船航運憑單), issued by the Customs.

*Note.*—This is a new form in place of the Junk Licences or Certificates previously issued but cancelled under the instructions of Circular No. 4349 (*q.v.* § 4, (1), (b)).

- (d) Pass-book (民船往來掛號簿), issued by the Customs.

- (2) Junks of less than 200 piculs capacity are not permitted to engage in foreign trade, but in other respects there is no change in the existing practice in regard to their treatment (*vide* Circular No. 4349, § 4, (2), (b)).
- (3) Junks of less than 200 piculs capacity trading in certain districts, such as the Liang Kwang, may, owing to exceptional local conditions occasioned by the proximity of foreign territory, be permitted to engage in foreign trade, but are to be provided with—

- (a) District Junk Licence, and

- (b) District Pass-book, issued by the Customs.

These are the new forms referred to in paragraph 1, (1), but modified by the Commissioners concerned to suit the special requirements of the districts in which the junks intend to operate. In other words, junks of less than 200 piculs capacity are to be allowed to trade with foreign ports only if they are provided with District Junk Licences and District Pass-books, the forms for which, altered to suit local requirements, are to be submitted for my approval. It may be necessary to draw up special regulations to control these junks, and if this is so, you are also to submit proposals for my approval.

2. Under the term “sea-going junks” are to be included junks on frontier rivers trading with foreign ports.

3. The capacity of a junk may be ascertained from the vessel's Certificate of Nationality. Should there be any doubt as to whether the capacity of a junk is or is not 200 piculs, the rules applied by the Navigation Bureau for this purpose are to be observed. These rules will be circulated in due course. In the meantime you may continue to follow your present practice or employ the Rules for Measurement of Junks for Tonnage, which were provided in slip form in the first issue of the "Instructions for Measuring Vessels for Tonnage" (IV.—Service Series: No. 26). You will note that 1 ton = 10 piculs = 100 cubic feet, and, therefore, 200 piculs = 20 tons *gross* tonnage.
4. Junk Licence forms (民船航運憑單), [C.—217], and Pass-books (民船往來掛號簿), [C.—222], may be obtained on requisition from the Statistical Secretary. Forms of Application for the Issue of Licences and Pass-books (民船航運憑單呈請書 and 民船往來掛號簿呈請書), [C.—218] and [C.—222a], have been drawn up for the convenience of junkowners and in order to ensure uniformity of procedure, and these may also be procured on requisition from the Statistical Department.
5. Although not definitely stated in the regulations that the number given to a junk by the Customs is to be the number recorded on the vessel's Certificate of Nationality, it would be advisable in the interests of preventive work to employ the latter number in all cases. This number is to be branded by the Customs on the vessel's mainmast and on the poop, and for this purpose you are authorised to purchase the necessary branding irons, the numerals on each of which should be in arabic figures and in size  $1\frac{1}{2}$  inches square. On the mast the number is to be branded vertically, while on the heavy woodwork outside the crew's quarters in the poop the number is to be branded horizontally. Any Chinese characters forming part of the registered number of the junk are to be branded with that number.
6. The painting of the numbers on both sides of the junk is to be executed by the junkowner to the satisfaction of the Customs, and where the size of the vessel

admits it the numerals should not be less than  $1\frac{1}{2}$  feet in vertical dimension and proportionately broad. The number painted on the stern need not be of the same size. Junks of less than 200 piculs capacity having Licences, Certificates, or Pass-books issued by the Customs should also have numbers painted on their hulls but in different colours, *e.g.*, in red or green on a white background. These numbers need not be painted according to the standard size, and, in order to avoid confusion, they should be of a local series distinct from the series of numbers given by the Ministry of Communications.

7. Once a month a list of the junks supplied with Junk Licences and Pass-books is to be forwarded to the Inspectorate. The details required are: name of office and date of issue of Certificate of Nationality; particulars of Certificate of Route; capacity and principal dimensions of junk; name and domicile of master and owner.

To comply with Article 15 that the regulations are to be posted in a conspicuous place at each Customs establishment along the coast, you are to arrange with your Superintendent for the issue of a joint notification both for this purpose and in order to notify the public in the usual manner.

I am, etc.,

F. W. MAZE,  
*Inspector General.*



## SEMI-OFFICIAL CIRCULAR No. 81.

Smuggling: shipping companies' responsibilities *in re*;  
I.G.'s further remarks.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 24th December 1931.

SIR,

Certain general principles connected with the responsibilities attached to shipping companies, etc., in respect of smuggling, were outlined in Circular No. 4343,\* but it seems desirable for me to supplement briefly what has already been written on the subject by the following observations.

It appears that an idea prevails that, in order to entitle the Customs to impose penalties where the carriage of illicit cargo is involved, it is necessary first to prove intent; that the liability of shipping companies is limited by the fact that they are common carriers; and that the performance of Customs business through the medium of compradors relieves the principals concerned of direct responsibility, etc.

If Customs procedure were to be restricted by the limitations which would result by the application of the above doctrine, smuggling would be condoned and our control would be weakened. It ought to be understood, therefore, that the plea of the absence of criminal intent frequently set forth in connexion with the contravention of Customs rules will not in any circumstances be accepted as a proper defence in cases of detected smuggling, etc.; that the Customs authorities will not subscribe to the suggestion that the direct responsibility attaching to shipping concerns and others in regard to their fiscal obligations is weakened by reservations which may be allowed by the laws of other countries arising out of their *status* as common carriers; and that the fact that Customs business is sometimes transacted through the medium of compradors, does not relieve the latter's employers of direct responsibility. Our procedure is based on Government regulations and also to some extent upon international engagements, and our legitimate fiscal powers are not weakened by alien enactments governing extra-territorialised foreigners in China.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. iv, p. 612.









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